

**Council Meeting: June 12, 2007****SUBJECT: Proposed Fiscal Year 2007/2008 Rates for Water, Wastewater, and Solid Waste Utilities****REPORT IN BRIEF**

As part of the yearly process of reviewing the financial condition of the utility enterprise funds, staff recommends that the City Council adopt annual changes in utility rates. This report presents an analysis of the current utility policy framework, revenues, expenditures, revenue requirements and utility rates.

If the proposed rates recommended for FY 2007/2008 are approved by Council, monthly costs associated with water, wastewater, and solid waste collection services for an average residential customer would increase by 8% overall. This represents monthly increases to the average residential customer of \$2.35 for water, \$1.88 for wastewater, and \$2.01 for solid waste services, yielding an average monthly utility bill of approximately \$84.04 at the new rates. The City's commercial rates will increase by the same overall percentage as residential rates.

Recommended increases are as follows:

- Water 9.5%
- Wastewater 8.5%
- Solid Waste 6.5%

The rate recommendations are based on the preliminary FY 2007/2008 budget that is currently being reviewed by the City Council. The primary cause of the recommended increase in water rates is the significant rise in costs for water purchased from the City's wholesale suppliers. The increase in wastewater rates is necessary to cover needed infrastructure and capital costs for our aging wastewater treatment and collection system. Finally, solid waste rates are projected to rise to cover increases in contractual costs for solid waste management, specifically, the new contract to operate the SMaRT Station.

The recommended FY 2007/2008 Budget was reviewed by the City Council at the Budget Workshop on May 24, 2007 and is scheduled for a public hearing on June 5, 2007, with final adoption scheduled for June 19, 2007. Any changes that results from this hearing will be incorporated in The Adopted Budget.

It is important to note that even with the rate changes recommended above, Sunnyvale residents enjoy rates that are approximately 24% lower than the average of surrounding communities (see Attachment A). This represents annual savings of approximately \$316 per household. Commercial customers also enjoy rates that are competitive with surrounding communities (see Attachment B).

Utility rates for FY 2007/2008, as approved by City Council, will be effective upon adoption of the attached Rate Resolution and will appear on monthly utility bills on or after July 12, 2007, and on bi-monthly utility bills on or after August 12, 2007.

BACKGROUND

Sunnyvale utility rates are based entirely on the City's costs for operating and maintaining its water, wastewater, and solid waste facilities and services. Each of the City's utilities is operated as an independent enterprise, and all expenses and revenues for each service are accounted for separately from other funds. No tax revenues are used to cover the costs of utility services, nor are any revenues from Water, Wastewater, or Solid Waste fees used to support other City programs or services not related to utilities. It is important to note that the practice of long term planning and the use of a Rate Stabilization Reserve enables the City of Sunnyvale to maintain utility rates at the lowest possible level by spreading the effects of anticipated operational, capital, and infrastructure costs over twenty years. The Rate Stabilization Reserve enables each of the utility funds to maintain a fairly consistent pattern of rate adjustments over the entire twenty years, minimizing volatile swings in rates which would otherwise occur due to unanticipated increases or decreases in cost in a particular year.

Each year as part of the budget process, staff analyzes the current condition of and long term outlook for the Water Supply and Distribution Fund (Water Fund), Wastewater Management Fund (Wastewater Fund), and Solid Waste Management Fund (Solid Waste Fund). These analyses are reflected in the Long Term Financial Plans for each fund. They include a review of available fund balances, state and federal environmental requirements, revenues, anticipated capital, infrastructure and operational requirements, and a detailed inspection of significant expenditure areas (e.g. the anticipated cost of purchased water, forthcoming adjustments to contracts related to solid waste disposal, environmental regulations related to wastewater discharge, etc.) The results of these analyses lead to proposed adjustments to rates that will generate the revenues necessary to meet planned expenditures. Throughout this review, staff attempts to keep utility rates as stable as possible while maintaining high quality, reliable, and efficient services through long term planning.

Changes to Public Noticing

This year, the City, along with all other cities and utility districts in California, has been faced with a significant change in the noticing requirements for utility rates. On July 24, 2006, the California Supreme Court decided Bighorn-Desert View Water Agency versus Verjil which involved the initiative and property related fee provisions of Proposition 218. The ruling found that metered rates for consumption of water are “property related fees” subject to the measure. The ruling also applies to sewer and solid waste charges. This ruling overturned previous rulings that held that these fees were not “property related.”

The practical effect of this on the City of Sunnyvale is that the City now needs to mail a detailed notice at least 45 days prior to the hearing on any utility service fee increase to comply with the majority protest requirements of Proposition 218.

Additionally, while Sunnyvale has always provided notice of the pending changes in rates, the law also changed notice content in two significant ways. First, while we have consistently provided notice in the past, the City has not included the level of detail now required. New notices provide substantially more information, including the actual proposed rate tables so that each customer can calculate the impact on his/her individual bill. Second, notices were previously sent only to utility account holders, but now have been sent to both property owners and utility account holders. Of note is that the City is considering mobile home owners as property owners in the same sense as single family homeowners. Each mobile home owner has received a notice, as did the owner of each park, and the City has counted each protest individually.

The notice for the rates which are being proposed for FY 2007/2008 went out on April 28, 2007, in compliance with the law. The City mailed out approximately 45,000 notices to both utility account holders and property owners in Sunnyvale. The City has a total of 40,817 unique parcel numbers. This includes mobile homes and other non-traditional properties. Staff made an attempt to eliminate as many duplicate owners and account holders as possible, but was not able to capture every one as often the names or addresses were different. Notices began reaching homes by April 30, and staff immediately started receiving calls. In short, the main result of our notice has been a heightened awareness of the process, and the additional expense and delay in our rate setting process.

The law requires that should the Council receive written protests from a majority of property owners (one protest per parcel), the proposed rates will not become effective and the current rates will remain in place.

Staff will tabulate protests received prior to the meeting, adding any valid written protests received at the meeting, and summarize the total number for Council. A majority protest exists if 20,409 valid written protests are received from the properties subject to the proposed fee. One vote will be counted for any property owner or utility customer who submits a protest prior to the end of the noticed public hearing (one protest per parcel). No protests received after that time, even if postmarked prior to that time, will be accepted. Each protest must be in writing, and identify the affected property (by assessor's parcel number, street address, or utility account number, and include the signature of a record property owner or utility customer. Oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest.

If a parcel served by the City has protests submitted by both the owner and the occupant or other entity paying the utilities, only one protest will be counted. Protests received from mobile home residents will be counted as one protest per space. Protests received by renters who do not have a utility account with the city shall not be counted.

For Council's review, staff will make available, an electronic file with all the protests received as of the posting of the June 12, 2007 Council Agenda.

EXISTING POLICY

Sunnyvale Municipal Code sections 8.16.120 (Solid Waste), 12.16.020 (Wastewater), and 12.24.010 (Water) authorize the City Council to establish by resolution fees and charges based on cost influencing factors. Policy 7.1B.10c of the General Plan's Fiscal Sub-Element states that enterprise costs shall be fully offset by user charges and fees derived from enterprise activity.

DISCUSSION

Water Supply and Distribution Fund

FY 2006/2007 Actual Rate Increase and Future Rate Increase Projections Compared to FY 2007/2008 Recommendations.

Water rates increased by 11.5% in FY 2006/2007. The Adopted FY 2006/2007 Water Supply and Distribution Fund Long Term Financial Plan included a planned increase of 9.5% for FY 2007/2008. This year's recommended rate increase for FY 2007/2008 is 9.5% as projected.

The reasons for this substantial increase are threefold:

- First, the FY 2006/2007 Water Utility Rates were based on a projected 16.2% increase in the wholesale rate from the San Francisco Public

Utilities Commission (SFPUC). The SFPUC subsequently raised rates an additional 2.4%. This resulted in a total increase of 18.6% over the rate then charged by SFPUC. While the rate stabilization reserve was able to absorb the impact for one year, this year's rates are accounting for this extra increase.

- Second, both the City's wholesale water suppliers (SFPUC and the Santa Clara Valley Water District (SCVWD)) are projecting substantial rate increases (blended increase is up approximately 7%)
- Finally, as is discussed later in the report, the fund has significant capital and infrastructure funding requirements due to the age of the water system.

Our Long Term Financial Plan for the Water Supply and Distribution Fund also projects that another increase of 9% will be required in FY 2008/2009 to cover the future cost of purchased water and keep the Water Fund in Balance. However, even with these large increases, Sunnyvale's water rates continue to compare favorably with our neighboring communities, as shown in Attachment A.

The remainder of the rate projections included in the FY 2006/2007 plan, and the current rate projections included in the FY 2007/2008 plan are shown in the proposed FY 2007/2008 Water Fund Long Term Financial Plan (Attachment C).

Sources of Water

Sunnyvale receives water from four different sources. Over 80% of our water is purchased from the SCVWD and the SFPUC. A smaller amount of water is pumped from Sunnyvale wells or produced through our recycled water facility at the Water Pollution Control Plant (WPCP).

Purchased water represents approximately 75% of the Water Supply and Distribution Program's projected FY 2007/2008 operating budget and is anticipated to rise to 86% of the operating budget within 10 years. Currently, for FY 2006/2007 the City is paying the SFPUC \$531 per acre foot plus meter charges of \$267,000, for a total of \$557. The forecast anticipates costs for FY 2007/2008 of \$590 per acre foot, including meter charges. This represents a 6% increase over last year's cost. Current charges for SCVWD purchased water are \$435 per acre foot plus a \$100 treated water surcharge, for a total of \$535 per acre foot. The FY 2007/2008 forecast for SCVWD is \$575 per acre foot, including the water surcharge. This represents a 7.5% increase over last year's cost. The City also receives charges in the form of a pump tax from the SCVWD for pumping ground water from City wells. The unit cost for well water is also influenced by the power costs associated with running the pumps. The

projected well water total unit cost (tax plus power) for FY 2007/2008 is \$555 per acre foot, an increase of 6.7% over last year's unit cost of \$520.

Finally, the City's Water Pollution Control Plant provides recycled water as part of the Water Reclamation Project begun in 1993. Recycled water is wastewater that has been treated to very high standards. Recycled water currently provides landscaping water for the Sunnyvale Municipal Golf Course, Baylands Park, Twin Creeks softball complex, the SMaRT Station, and several commercial businesses in the Moffett Park commercial/industrial area. The costs of recycled water are borne by both the Water Fund and the Wastewater Fund. The Water Fund distributes and sells recycled water and benefits through reduced reliance on potable water sources. The Wastewater Fund produces recycled water and benefits from the resulting diversion of wastewater from discharge to the San Francisco Bay.

In addition to the benefits provided by recycled water discussed above, the City receives a \$115 per acre foot rebate from the SCVWD to encourage use of recycled water. The SCVWD provides this benefit on the premise that the use of recycled water reduces strain on potable water supplies. The rebate is based upon a contractual agreement between the City and the SCVWD entered into in 1997. The original contract envisioned a 25-year period of rebates with renewal at five year increments. However, SCVWD is considering alternative ways to fund recycled water and the City's current contract expires on June 30, 2007. Information from SCVWD staff indicates that the District will be renewing the contract for only one year.

The recycled water system currently serves mainly the north side of Sunnyvale, which is primarily served by SFPUC supply. As a result, the rebate contract requires that Sunnyvale take at least 44.7% of its water from SFPUC. As a practical matter, this works to offset SCVWD purchases in the same way it would if recycled water was servicing an area of Sunnyvale where the primary source was from SCVWD. As SFPUC water becomes increasingly expensive, the financial benefit of the rebate to Sunnyvale is outweighed by the additional cost of taking the minimum percentage of SFPUC water dictated in the contract with the SCVWD. The cost of SFPUC water is currently projected to outweigh the benefit gained from the rebate in FY 2009/2010.

Staff is maintaining a dialogue with SCVWD regarding this issue, and hopes to continue to receive some form of financial subsidy for the production and distribution of recycled water. The projected Long Term Financial Plan for the Water Supply and Distribution Fund includes the presumption that we will continue to receive the rebate or some other form of recycled water incentive throughout the full twenty years. Should this not occur, the negative impact on the Fund would be \$195,500 per year.

Recycled water is currently sold at 90% of the base tier of residential water rates to encourage its use.

Forecasting Water Usage

The first step in setting the revenue requirement for the Water Supply and Distribution Fund is the completion of the Twenty Year Water Production Forecast. This planning tool is used to develop projections for water purchases for the next twenty years. The Forecast prepared for FY 2007/2008 and beyond is included in this report as Attachment D.

Staff begins the actual preparation of the Twenty Year Water Production Forecast by looking at the total projected amount of water that will be required for the next twenty years, factoring in demand trends, water conservation, growth and projections of population trends and corresponding water usage.

Actual purchase and sales of water in Sunnyvale have been relatively flat over the past few years, due to a number of factors. First, actual population growth in the City has been moderate. Where residential development has been occurring, other uses such as industrial buildings with large landscaped areas have been displaced, and these were often uses that may have had more overall demand for water. Second, water conservation measures have been promoted by the City and the SCVWD, and remodeling work has been to newer plumbing codes using more water efficient fixtures. Third, the success of the Sunnyvale recycled water system has replaced the use of potable water with recycled water for non-potable uses at many facilities in the northern part of the City, especially on a number of high usage facilities. Recycled water usage grew from a low of 119 acre feet in FY 1999/2000 to about 1,800 acre feet in FY 2003/2004 and has stayed fairly constant since then. It is projected at 1,800 acre feet throughout the Twenty Year Water Production Forecast. Finally, water sales were down the past two years due to the wet winter and spring seasons. However, the City is clearly not at build out, and is becoming more dense. It is therefore reasonable to assume that some growth in usage will occur, even if mitigated by the factors previously discussed.

Current year sales are up due to the lack of rain and we are projected to end the year higher than planned. Historically, dry years come in pairs, so staff has assumed an 8.5% increase in sales for FY 2007/2008 over the current projected year end sales. This increase serves to amplify the rate increases given by the district as we will need to purchase more water at a higher price.

To incorporate the various factors affecting water purchases, and attempt to deal with the water supply impacts of increased density, staff has updated the Twenty Year Water Production Forecast for FY 2007/2008. The revised

forecast reflects a trend that starts with our current total purchases which then increases to incorporate the population projections (and corresponding water demand) developed by the Association of Bay Area Governments for Sunnyvale.

To complete the purchase analysis, staff looks in detail at each source of water supply. This includes evaluating the associated purchase requirements under the contracts for each wholesale supplier, the unit costs for each source, and the projected need for and availability of recycled water to supply those customers. The forecast is developed using the cheapest source of water available as much as possible considering contract limitations, sometimes shifting the emphasis on individual supplies dependent on the factors discussed below. It should be noted that although we do have the ability to distribute water throughout the City, we are limited in how much adjustment can be made.

Projecting Water Supply Costs

As part of preparing the Twenty Year Water Production Forecast, staff obtains projections from each of the City's water wholesalers for the next year and from four to nine additional years, depending upon the wholesaler. These projections are generally received late in our process and are subject to change. The projections for the next year are generally fairly consistent with what is finally adopted. However, the projections for the future years have a history of changing significantly, particularly in the case of the SFPUC. Normally, we receive ten years of projections from SCVWD and five years from SFPUC. However, this year we received nine years from SCVWD and only one year from SFPUC long term projections. Again, the projections from SCVWD have been fairly reliable while the SFPUC rates have been swinging significantly from prior year projections.

Details of the rate projections received from each water wholesaler are discussed below.

SFPUC Wholesale Rate Adjustment

The City of Sunnyvale is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) along with the 27 other Suburban Users that purchase water on a wholesale basis from the SFPUC (the "Suburban Users"). BAWSCA was created in 2003 to address the infrastructure issues with the Hetch Hetchy system, and the SFPUC's historic lack of action with regards to the repair and maintenance of the system. BAWSCA is tasked with representing the interests of the Suburban Users with the SFPUC and providing a funding mechanism for the share of the capital improvement program for the system attributable to the Suburban Users.

Under the contract, the SFPUC is required to hold meetings with the Suburban Users to update us on various topics, including rates. In February, members of BAWSCA met with the SFPUC to receive updates on water quality monitoring, rates, and the Water System Improvement Plan (WSIP), which is the SFPUC's infrastructure rehabilitation program. At that meeting the SFPUC gave us a range of possible rates that spanned from 5.1% to 10.7% increases. The purpose of that rate approach was to give the Suburban Users a range that would be weather dependent. That is, if the winter ended up being wet, a 10.7% increase was likely, and if it was dry, a 5.1% increase was likely.

For purposes of the FY 2007/2008 proposed water rates, staff has assumed a middle case rate of a 6.6% increase in base rate, which translates to an overall increase of 6% when factored with the meter charges. This assumption is based on information from SFPUC regarding dry weather and a resulting upward trend in water sales. This would bring projected wholesale SFPUC rates from \$557 per acre foot to \$590 per acre foot, including meter service charges.

Last year, the SFPUC staff also provided us with ten years of projections for wholesale water costs that differed significantly from the projections provided the previous year. These ranged from a low of 6.5% to a high of 17%. In general, they were higher in the first five years of the plan and lower in the second five years than the previous projections. This year, the SFPUC has not provided any additional projections. As a result, staff is recommending the use of similar percent changes that were reflected in those projections, applied to the new base, for the remaining nine years, adjusted for our new projections in total sales.

In the second 10 years of the plan, staff is recommending a very modest growth in SFPUC's cost at 1.4% per year. This assumption is based on the fact that by FY 2017/2018, all WSIP revenue bonds will have been issued and SFPUC's expenses will then include debt service on these bonds. At that point, these debt service expenses will be stable, and any further increases will reflect inflationary growth of operating expenses only. Historically, the operating expenses of SFPUC have averaged about 1.5% per year before capital costs or debt service.

Projected rate increases for SFPUC have caused their water to change from being the less expensive wholesaler to the more expensive beginning in FY 2013/2014. This will affect the amount of water we project to purchase from SFPUC since our policy is to maximize purchases from the least expensive source, after taking the recycled water rebate into consideration. The recycled water rebate makes it economical to take the minimum amount of SFPUC water specified in our rebate contract until FY 2012/2013 when we are

projecting to purchase 10,529 acre feet from SFPUC, representing our contractual minimum.

SFPUC Water System Improvement Program

As Council is aware, the SFPUC's water system is facing substantial capital improvement needs over the next ten to fifteen years. The SFPUC has approved a \$4.2 billion Capital Improvement Program (now the Water System Improvement Program, or WSIP) and Long Range Financial Plan. In November 2002, San Francisco voters approved a \$1.6 billion bond measure, the largest ever approved in city history, to fund the San Francisco portion of the project. The remaining portion of the WSIP is to be funded by the Suburban Users through wholesale rates.

The SFPUC is slowly moving forward on implementing the WSIP. They continue to work on, and receive public comment on, a Programmatic Environmental Impact Report (PEIR). The PEIR addresses the potential environmental impact of the SFPUC's entire WSIP, dealing with areas of system sizing, total water deliveries, reliability, redundancy and other issues that drive the project in whole. SFPUC staff has indicated that the implementation of the WSIP will be on time and on budget with regards to the WSIP. However, the WSIP is still in its infancy, with major construction not yet underway.

Sunnyvale provides input into this process through the Bay Area Water Supply and Conservation Agency (BAWSCA). The City is represented on the BAWSCA Board of Directors by Councilmember Swegles, and staff attends the BAWSCA Technical Advisory Committee meetings to monitor developments in the work with the SFPUC.

Santa Clara Valley Water District Wholesale Rate Adjustment

SCVWD has provided their recommendation for their rate increase for FY 2007/2008: a \$40 increase in the treated water base rate and the pump tax, with no change in the treated water surcharge. This amounts to a total acre foot cost of \$575 for FY 2007/2008, which represents a 7.5% increase in total unit cost.

Last year, the SCVWD gave City staff a projection of five years future rate increases. These projections were included in the Twenty Year Water Production Forecast that was prepared for the FY 2006/2007 budget. This year, in addition to their one year forecast, the District has provided three separate scenarios for rates that run through FY 2015/2016. The lower end of the range is the same as the projections prepared last year. However, the higher end of the range represents a substantial increase in rates in order to fully fund what district staff believe are needed operations and capital costs.

The Santa Clara Valley Water District is still working to recover from a significant financial challenge in FY 2005/2006. The State of California shifted approximately \$51 million in Property Tax revenue over two years from the District to the state budget as part of the Educational Revenue Augmentation Fund III (“ERAF III”) shift experienced by all cities, counties, and special districts statewide during the last two years.

Although the ERAF III shift was significant, the SCVWD has implemented a flattened rate strategy that absorbs the impact of the Property Tax loss while keeping rates competitive with other suppliers. This was been accomplished through reductions in staffing, the deferral of non-critical capital projects, and the use of reserves. District staff has expressed concern with the delay of various projects, and is therefore preparing various funding scenarios for the District Board’s consideration.

City staff works closely with the District staff and other retailers that the District serves through the Water Retailers Subcommittee. City staff shares the District’s concern with regards to some of their large unfunded infrastructure liabilities, especially related to their dams and reservoirs.

Therefore, for the purposes of setting the FY 2007/2008 water rates, while staff has used the increase in SCVWD wholesale water recommended by District staff, the FY 2007/2008 Water Forecast has been modified to reflect a steady increase from the current district rate, to their fully funded rate in FY 2015/2016. Even with these more aggressive increases, after taking into consideration the recycled water rebate, SCVWD becomes the least expensive provider of wholesale water to Sunnyvale from FY 2012/2013 onward.

Water Fund Capital and Infrastructure Improvement Projects

Over the past few years, Sunnyvale staff has been working to identify and scope projects to improve the City’s water supply and distribution capital and infrastructure. A total of \$45.4 million in capital and infrastructure projects are included in the FY 2007/2008 Water Fund Long Term Financial Plan.

Public Works staff have proposed a methodical and measured repair and rehabilitation plan for the water supply facilities with the goal of extending infrastructure life. In addition to a number of significant projects to replace old waterlines, pressure reducing valves, various mechanical reconstructions and equipment upgrades, the recommended FY 2007/2008 Budget contains over \$13 million in infrastructure renovations for the City’s potable water tanks over the 20-year planning period.

The City’s water system has ten potable tanks: the five larger tanks each have a five million gallon capacity and the five smaller tanks hold .5 million gallons

each. Water tanks play an important part in the City's water supply and distribution system. Their main purpose is to provide a sufficient amount of water to equalize the daily demand on the water system, and to provide for peak demands. Water tanks also help the City in other ways. They provide emergency water back-up if there is a sudden loss of a water source, due to emergency, maintenance, or any other reason. They also provide fire protection supply and a supplemental source to the distribution system if there is a peak demand that is beyond the capability of our sources to provide directly.

To evaluate whether we have the appropriate amount of water storage and are utilizing our water tanks most effectively, a model of our water system was completed in FY 2006/2007 by the firm of IEC (Infrastructure Engineering Company). IEC analyzed the system and validated the necessity for the five larger tanks. IEC also concluded that the additional storage provided by the small tanks, representing 2.5 million gallons of a total storage capacity of 27.5 million gallons (about 9%) was not vitally important to our system at this time, but is expected to be an important factor in the future. As the City continues to increase in density, increased storage will be important to continue to provide a day's worth of stored water. If there is an emergency causing a loss of water from our normal suppliers, then as much storage as possible, in addition to our wells as a water source, will be helpful in providing the needed water to our residents.

The study also concluded that refurbishing the existing tanks would be more cost effective than construction of new storage tanks because the new tanks would have the same ongoing maintenance needs, in addition to the cost of erecting the new structures and the cost of tearing down the older tanks.

Water Utility Master Plan and New Well Feasibility Study

The FY 2007/2008 plan also includes \$200,000 in FY 2008/2009 for the completion of a Water Utility Master Plan, and \$45,000 in FY 2014/1015 for a New Well Feasibility Study. This Water Utility Master Plan will refine the list of capital projects that will be necessary to replace aging infrastructure and identify any upgrades of the water lines that may be needed as a result of future developments. Keeping an up-to-date master plan is important to ensure that the water system can continue to provide reliable service for the near term and into the future.

The New Well Feasibility Study will provide an analysis of the feasibility of drilling two new wells to replace old wells and improve the City's water supply. Drilling new wells may help the City face future water supply challenges, especially during prolonged periods of drought.

Water Cost of Service Study

Utility rates are intended to capture the cost of providing service to each category of customer. However, because the composition of both costs and customers change over time, staff periodically updates the cost allocation methodology underlying the rates.

Cost of service studies were completed for the Wastewater Utility in 2001, and the Solid Waste Utility in 2002, and the Water Utility was last evaluated before 1990. Staff identified a need to update the methodology for each utility on a more regular basis as a reliable way to ensure that each utility continues to generate sufficient and stable revenues to pay for all related current and future expenses. During the last project budget process, staff programmed studies every five years in an effort to meet this goal.

The City contracted to perform a cost of service study on both the water and wastewater utilities in FY 2005/2006. That study has taken longer than anticipated due to slower turn around times than expected by the consultant. However, a final draft of the study has been completed and is being reviewed by staff. Elements being reviewed include changes in the tiered rate structure, allocations of cost to each customer class, and an analysis of each phase of the recycled water master plan. Staff plans to bring this information forward to Council in September of this year in a study session.

Recommended FY 2007/2008 Water Rate Increase

The proposed Water Supply and Distribution Fund Long Term Financial Plan (Attachment C) reflects the recommendation that water charges increase by 9.5% for FY 2007/2008. Projections for the remainder of the Water Supply and Distribution Long Term Financial Plan are included at the bottom of the plan.

The Water Rate Survey is presented as Attachment E. As shown in Attachment A, Monthly Utility Bill Comparisons – Single Family Residential, the City's residential water rate remains well below average when compared with neighboring cities. Where noted, these comparisons have been updated to include proposed rates from other cities. The same wholesalers provide water in varying percentages to all of the jurisdictions surveyed. Therefore it is likely trends seen in the water rate for Sunnyvale will also be seen in other jurisdictions.

Wastewater Management Fund

FY 2007/2008 Actual Rate Increase and Future Rate Increase Projections Compared to FY 2006/2007 Recommendations

Wastewater rates increased by 6% in FY 2006/2007. The FY 2006/2007 Wastewater Management Fund Long Term Financial Plan included a planned

increase of 5.5% for FY 2007/2008. This year's recommended rate increase for FY 2007/2008 is 8.5%, which is 3 percentage points higher than planned. The FY 2007/2008 wastewater rate is higher than expected due mainly to the full funding of capital and infrastructure projects, specifically the full funding of a replacement Water Pollution Control Plant (WPCP).

The remaining rate projections for future years included in the FY 2007/2008 plan are shown in the FY 2007/2008 Wastewater Management Fund Long Term Financial Plan (Attachment F).

Factors Influencing Projected Wastewater Management Fund Expenditures

The City of Sunnyvale owns and operates an extensive system for management of wastewater within city limits and in a small area in Northern Cupertino (known as the Rancho Rinconada Service Area). The system includes approximately 327 miles of sewer pipes and a 29.5 million gallon-per-day Grade V Water Pollution Control Plant. Operations include the conveyance of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, and many other services related to wastewater.

Infrastructure maintenance and replacement has been and remains the largest issue for the Wastewater Management Fund. Both the recent Optimal Staffing Study for Public Works, performed by Matrix, Inc., and the Asset Condition Assessment of the Water Pollution Control Plant (WPCP), completed in August 2006 by Carollo Engineers, identified the aging and deteriorating condition of the plant, and recommended that a master plan for the long-term needs of the plant be completed. In response to those recommendations, a project for a comprehensive Strategic Infrastructure Plan (SIP) study is being proposed in the recommended FY 2007/2008 Project Budget to determine the most cost-effective alternative or mix of rehabilitation and replacement in order to maintain current service levels and meet future needs at the plant.

Staff is recommending that critical projects continue to be funded (for example the replacement of the digester lids at the WPCP). To provide funding for the types of recommendations anticipated from the SIP and known to be needed based on the current condition of the plant as documented in the Asset Condition Assessment, a project is being submitted to provide up to full replacement of the plant. More details on specific plant areas for rehabilitation and/or replacement, and a more detailed planning level estimate will be provided by the SIP. In the meantime, the Long Term Financial Plan includes \$330 million in estimated funding for a full replacement of the plant. The WPCP replacement project would extend roughly 10-12 years because of the complex environmental considerations and issues regarding replacement on the same site. Because of the large cost of the new plant, funding through

revenue bonds would be required in order to spread the financial impact over the life of the asset. This is consistent with the City's fiscal policies with regards to large infrastructure projects.

Changes in Wastewater Fund Interfund Loans

Another major factor affecting the fund and rates in the short term is the acceleration of payoff on two interfund loans that were advanced to the Wastewater Fund by the General Fund. The first loan was to finance the remodel of the primary facilities of the WPCP, expanding the capacity from 22.5 million gallons per day to 29.5 million gallons per day. The loan was made by the General Fund in FY 1980/1981 for a total of \$10.7 million at 7% interest. The original term was for 20 years. The second loan from the General Fund was made to assist the Wastewater Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/1996 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments on the loan deferred until FY 2004/2005. The recommended FY 2007/2008 Wastewater Management Fund Long Term Financial Plan reflects accelerated repayment of both loans to allow the fund the financial capacity to absorb projected capital costs. Both loans will now be paid off by FY 2012/2013.

Recommended FY 2007/2008 Wastewater Rate Increase

The proposed Wastewater Management Fund Long Term Financial Plan (Attachment F) reflects the recommendation that wastewater charges increase by 8.5% for FY 2007/2008. Projections for the remainder of the Wastewater Fund are included at the bottom of the plan.

The Wastewater Rate Survey is presented as Attachment G. As shown in Attachment A, Monthly Utility Bill Comparisons-Single Family residential, the City's residential wastewater rate is slightly higher than the average of neighboring cities.

Solid Waste Management Fund

FY 2007/2008 Actual Rate Increase and Future Rate Increase Projections Compared to FY 2006/2007 Recommendations

Solid Waste rates increased by 5.5% in FY 2006/2007. The FY 2006/2007 Solid Waste Management Fund Long Term Financial Plan included a planned increase of 5.5% for FY 2007/2008. This year's recommended rate increase for FY 2007/2008 is 6.5%, up one percentage point from last year's projection. The remainder of the rate projections included in the FY 2007/2008 plan are shown in the FY 2007/2008 Solid Waste Fund Long Term Financial Plan (Attachment H).

Factors Influencing Solid Waste Fund Expenditures

Sunnyvale's solid waste collection and disposal system has three primary components. Solid waste collection is performed under an exclusive franchise granted by the City through 2018 to Bay Counties Waste Services, doing business as Specialty Solid Waste and Recycling (Specialty). Solid waste processing and transfer is carried out at the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®) under a seven-year contract with GreenTeam/Zanker that expires at the end of 2007. A new seven-year contract for operating the SMaRT Station was recently awarded to Bay Counties Waste Services by Council in February 2007. Finally, solid waste is disposed of at the Kirby Canyon Landfill in San Jose under a long-term contract with Waste Management, which operates Kirby Canyon. The landfill contract expires in 2021.

In budgeting for municipal solid waste management expenses, generally, the most significant factor driving revenues and expenses is tons of solid waste collected, transferred and disposed. Although tonnage projections play a significant role, rates are also affected by changes in the cost of the collection contract and the contract to operate the SMaRT Station. Rates are also affected by the contract to landfill solid waste; however that contract is much longer term and therefore only affects the fund approximately once every twenty to thirty years.

SMaRT Station Operations Agreement

The SMaRT Station began operations in October 1993. The costs of building and operating the SMaRT Station are shared by the cities of Sunnyvale, Mountain View and Palo Alto as specified by a Memorandum of Understanding (MOU) among the cities. At current garbage delivery rates, Sunnyvale is responsible for about half of the SMaRT Station operating expenditures and receives about half of the revenues earned by the cities from recyclables removed from the garbage. The capital cost of the SMaRT Station was financed by the sale of revenue bonds by Sunnyvale. The debt service on the bonds is shared among the three cities as specified in the MOU.

The SMaRT Station is operated by a private company under contract with the City. To date, the city has issued agreements with seven year terms. On February 13, 2007, the City Council awarded the next seven year contract for operation of the SMaRT Station to Bay Counties Waste Services (RTC #07-049). GreenTeam/Zanker of Sunnyvale currently operates the SMaRT Station under a contract that expires December 31, 2007.

The net financial impact of the new contract is reflected in the Solid Waste Fund Long Term Financial Plan (Attachment H). Overall, the contract will increase net annual operating costs (after accounting for increased revenues

from increased diversion) of the SMaRT Station materials recovery, transfer, and disposal system. Increases in costs over the current operating costs are largely due to the City's new requirements regarding the wages to be paid to contractor personnel working at the SMaRT Station.

SMaRT Station Materials Recovery Facility

After years of heavy usage, key components of the SMaRT Station materials recovery facility (MRF) equipment are showing excessive wear and are in need of replacement. In 2005, a project to replace the MRF equipment was reviewed and approved by the City Council with a budget of \$5 million. Analysis of that estimate and the efficiencies gained from doing the project showed sufficient net present value to justify the replacement of the MRF equipment. This conclusion was supported by the partner cities of Mountain View and Palo Alto, and the capital contributions of the cities were adjusted upward (in the near term) to provide the necessary funding. In January 2006, Council awarded a contract to URS engineers to provide design, plans and specifications for this project.

An update on the status of the project was provided to the City Council on December 19, 2006. In summary, the original cost estimate that established the project budget at \$5 million was generated in October 2004, more than two years ago. A subsequent engineer's estimate in June 2006 raised the project cost to \$8.8 million.

In order to obtain an accurate project cost, the project was put out to bid in January 2007 based on plans and specifications prepared by URS. The lowest bid received was approximately \$13 million. The difference between the actual bids and the engineer's estimate is attributed to the sharp increase in construction costs over the past year. According to the Engineering News Record (ENR), the construction cost index increased 17% between 2004 and 2006. In addition, raw material prices have risen sharply, particularly the price of steel, the predominant raw material in this project. ENR reports that prices for steel have increased by 31.3%, 12.6% and 9.6% in 2004, 2005 and 2006, respectively. The unexpected increase in materials and construction costs explains the difference between the bids and the June 2006 engineer's estimate, and therefore staff considers the bids received to be competitive.

Staff has updated the net present value (NPV) calculations and has determined that the project still returns a positive net present value of \$4.8 million through the term of the MOU among the cities.

The proposed new equipment provides increased mechanized separation, thereby reducing the number of personnel required to sort materials manually.

These savings are reflected in the agreement with the new SMaRT operator, Bay Counties Waste Services.

In addition, it is projected that the new equipment will facilitate increased recovery of materials from the waste stream thereby decreasing solid waste delivered to the landfill, and result in reduced contributions to the SMaRT Station Equipment Replacement Fund as the majority of the equipment in the facility will be brand new. This creates a savings that averages \$935,000 per year over the remaining MOU term. This increased recovery of materials from the waste stream will also generate additional revenues projected to average \$840,000 per year. Under the diversion incentive terms of the 2008-2014 operating contract, the cities receive 50% of these revenues if refuse diversion is at 25%. Sunnyvale's shares of these revenues and cost savings (and temporary changes in expenses and revenues during construction) have been accounted for in the Solid Waste Fund Long Term Financial Plan.

The FY 2006/2007 Adopted budget includes \$5,175,000 for the SMaRT Station MRF Equipment Replacement Project. An additional \$9,486,768 is needed to meet the total project costs. Staff is recommending that the additional funds be raised through the issuance of Solid Waste Revenue Bonds in order to minimize the impact on garbage rates and spread the costs to users on a more equitable, long-term basis. The debt service for these bonds is included in the Solid Waste Management Fund Long Term Financial Plan.

Tonnage Projections

Much like the analysis of purchased water costs in the Water Supply and Distribution Fund, staff begins preparation of the Solid Waste Long Term Financial Plan by projecting the amount of material that is anticipated to be delivered to the SMaRT Station.

As noted above, the City of Sunnyvale is party to a Memorandum of Understanding (MOU) with the cities of Palo Alto and Mountain View for the operation of the SMaRT Station. The MOU includes provisions that describe the garbage and recyclables delivery obligations of each city, how SMaRT Station revenues and expenses are allocated among the cities, and how the cities will coordinate (with Sunnyvale playing the lead role) their three identical landfill contracts with Waste Management. Sunnyvale and Mountain View are required to deliver to the SMaRT Station all of their franchisee-collected garbage and residential recyclables, including yard trimmings. Because it continues to operate its own landfill, yard trimmings and compost facility, and recycling facility, Palo Alto is required to deliver only specific amounts of garbage that vary from year to year and has no delivery obligations for recyclables and yard trimmings.

In projecting the tons to be brought to the SMaRT Station, staff first sets a base tonnage (which is set using the most recent 12 months of data), then works with the other two cities to project tonnage through the first ten years of the plan. As with last year's plan, this year's projections reflect Palo Alto's "Zero Waste" policy that set a goal of ultimately diverting 90% of Palo Alto waste. To put this in context, the most recent California Integrated Waste Management Board calculations show Palo Alto's 2004 diversion rate as 63% (the same as Sunnyvale's rate). Details of the methods Palo Alto will use to achieve its ambitious goals are still being developed, but Palo Alto staff has reduced that city's SMaRT Station projection for the amount of municipal solid waste it will be delivering in future years. The current projection shows Palo Alto deliveries that simply meet its minimum quantity obligations in the MOU and its Kirby Canyon disposal contract even though Palo Alto intends to close its landfill in 2011, and if so, would need a place to take that tonnage.

Last year was the first year of this changed strategy from Palo Alto. The net effect of this change is to increase Sunnyvale's (and Mountain View's) projected SMaRT Station expenses for FY 2011/2012 and beyond. The Solid Waste Fund Long Term Financial Plan has been revised to reflect Palo Alto's intent, although the extent to which Palo Alto succeeds in increasing its diversion rate remains to be seen. Staff will closely watch this situation in order to refine future tonnage estimates in line with anticipated and actual changes in how Palo Alto handles its waste.

Tonnage tends to be a lagging indicator of the City's economic condition. Current tonnage trends at SMaRT indicate that, at 102,656 tons, FY 2004/2005 was the low point in the economic downturn as measured by tons of garbage collected, ending a steady tonnage slide that began in mid-2001. The amount of garbage collected in Sunnyvale had peaked at 127,454 tons in FY 2001/2002, and then fell 16% in the following year. The revised Sunnyvale tonnage projection for FY 2007/2008 is 104,454 tons of garbage, up 1% from the 103,420 tons expected for FY 2006/2007. Year-to-year decreases and increases in garbage tonnage are difficult to project accurately, so the financial plan "smoothes" future trends into a 1% per year increase throughout the term to provide a more reliable long-term projection.

The three cities that participate in the SMaRT Station have individual agreements with Kirby Canyon for landfill services that require the payment for disposal of a minimum quantity of solid waste each year. This provision is commonly referred to as a "put or pay" requirement. Additionally, the Kirby Canyon contract contains an "excess quantity" charge that increases the price per ton if the tonnage exceeds a certain level. Solid Waste staff tracks the tonnages and trends closely to operate at a minimum cost over the contract term, which ends in 2021. In October 2011, the cities will be able to modify

the level of put or pay required, and it is Sunnyvale's intention to lower its solid waste allocation quantity by the maximum allowable 10%. This modification is reflected in the tonnage projections beginning in FY 2011/2012.

Payment to Specialty Solid Waste and Recycling

As mentioned earlier, the City contracts with Specialty for the collection of solid waste and recyclables throughout the City. Specialty is paid on a monthly basis, but their payment is determined for a year based largely on formulas that take necessary and actual expenses ("allowable expenses" in contract terms) in the last completed fiscal year and, where appropriate, adjust them for inflation. For example, the FY 2007/2008 payment amount is driven largely by FY 2005/2006 allowable expenses for labor, fuel, and other operating costs, as described in detail in the franchise agreement. Other factors in the payment amount include depreciation and insurance expenses, incentive payments for efficiency measures proposed by the company and approved by the City and a profit of 8.5% of expenses. Each January, Specialty submits a contractor payment request to the City for the coming fiscal year. The City, with assistance from a financial consultant, then reviews that request for conformance with the franchise agreement and works with Specialty to determine the final payment.

The projected FY 2007/2008 contractor payment is \$15.6 million, a decrease of about \$255,000 from the current contractor payment due primarily to savings in worker's compensation expenses. Staff recommends using the smaller FY 2007/2008 payment as a new base for the projection, resulting in savings of approximately \$22 million over twenty years.

Recommended FY 2006/2007 Solid Waste Rate Adjustment

The new wage requirements in the SMaRT Operations contract to Bay Counties Waste Services are projected to increase Sunnyvale's share of annual net operating costs by \$12 million over the first 10 years of the plan, starting midway through FY 2007/2008. Additional savings from the collection contract and the installation of new MRF equipment offset this expense by approximately \$11.5 million over the first 10 years of the plan.

The proposed Solid Waste Fund Long Term Financial Plan (Attachment H) reflects the recommendation that Solid Waste rates increase by 6.5% overall for FY 2007/2008. This is up one percentage point from the 5.5% increase projected for FY 2007/2008 last year.

Projections for the remainder of the Long Term Financial Plan are included on the bottom of the plan. The Solid Waste Rate Survey is presented as Attachment H. As shown in Attachment A, Monthly Utility Bill Comparisons –

Single Family Residential, Sunnyvale's residential solid waste rate remains below average when compared with neighboring cities.

FISCAL IMPACT

The proposed utility rate changes are necessary to maintain the Utility Enterprise funds in a sound financial condition. Again, even with the proposed rate changes, Sunnyvale's utility rates remain competitive when compared to current rates charged in other cities. Attachment A compares Sunnyvale's residential rates with rates in the other cities. Where noted, these comparisons have been updated to include proposed rates from other cities. Sunnyvale's neighbors experience the same general trends in each utility as Sunnyvale (e.g. wholesale water costs, aging infrastructure, etc.). Therefore it is likely that trends seen in the rates for Sunnyvale will also be seen in other jurisdictions.

PUBLIC CONTACT

Public contact is provided via publication and posting of the City Council Agenda. A Proposition 218 compliant notice announcing the date of the Utility Rate Hearing, including details of the proposed increases was sent directly to utility customers and property owners, including mobile home park residents. On April 30, 2007, a news release was issued regarding the hearing, information was posted on the City's Web site homepage, and a link (www.utilityrates.insunnyvale.com) to an electronic version of the notice was established. The Economic Development Manager notified various business associations within the City of the availability of this report and the hearing date. Neighborhood Associations registered with the Office of the City Manager were also notified of the hearing the week of May 14, 2007. Finally, an ad announcing the hearing was taken out in the Sunnyvale Sun for the weeks of May 28, 2007 and June 4, 2007.

Reports to Council are also available in the Sunnyvale Library and on the City's website. Once the rates have been adopted, an insert specifying the utility rate changes will be enclosed in every utility bill.

ALTERNATIVES

1. Adopt the attached resolution increasing water rates by 9.5%, wastewater rates by 8.5%, and solid waste collection rates by 6.5% for FY 2007/2008.
2. Adopt rates other than those proposed.

RECOMMENDATION

Staff recommends Alternative 1, to adopt the attached resolution increasing water rates by 9.5%, wastewater rates by 8.5%, and solid waste collection rates by 6.5% for FY 2007/2008.

Reviewed by:

Mary J. Bradley, Director, Department of Finance
Prepared by: Timothy J. Kirby, Revenue Systems Supervisor

Reviewed by:

Marvin Rose, Director, Department of Public Works

Approved by:

Amy Chan
City Manager

Attachments

- A. Monthly Utility Bill Comparisons – Single Family Residential
- B. Monthly Utility Rate Comparisons – Commercial
- C. Proposed FY 2006/2007 Water Supply and Distribution Fund Long Term Financial Plan
- D. Twenty Year Water Production Forecast
- E. Water Rate Survey
- F. Proposed FY 2006/2007 Wastewater Management Long Term Financial Plan
- G. Wastewater Rate Survey
- H. Proposed FY 2006/2007 Solid Waste Management Fund Long Term Financial Plan
- I. Solid Waste Rate Survey
- J. Proposed Resolution

Monthly Utility Bill Comparisons
Single Family Residential
 April 30, 2007

City	Water*	Wastewater	Solid Waste***	Total
Palo Alto	49.63	23.48	66.64	139.75
Los Altos	35.56	23.75	88.62	147.93
Fremont	32.46	19.04	36.05	87.55
Cupertino	37.21	21.00	55.97	114.18
City of San Jose	25.23	**23.57	**77.97	126.77
Mountain View	33.08	19.95	45.90	98.93
Milpitas	27.31	29.85	28.59	85.75
Sunnyvale	27.06	23.98	33.00	84.04
Santa Clara	**33.68	**11.59	**37.08	82.35
Average of all Cities	33.47	21.80	52.20	107.47
Average excluding Sunnyvale	34.27	21.53	54.60	110.40
Average excluding Sunnyvale and two overall highest cities	31.49	20.83	46.93	99.25
* = Based on 12 ccf consumption plus 5/8" meter/service charge ** = Proposed rates ***= Three can rates compared to Sunnyvale and Milpitas unlimited rates.				

Monthly Utility Rate Comparisons
Commercial
 April 30, 2007

City/Eff date	Water* (ccf)	Wastewater** (ccf)	Solid Waste***
Palo Alto	4.25	4.83	277.70
Los Altos	2.09	****	238.22
Fremont	2.29	2.25	143.66
Cupertino	2.10	1.89	174.15
City of San Jose	1.84	1.95	170.33
Mountain View	2.99	2.50	207.40
Milpitas	3.40	2.39	161.04
Sunnyvale	1.29	2.34	210.87
Santa Clara	2.29	1.26	152.14
Average of all Cities	2.50	2.43	192.83
Average excluding Sunnyvale	2.66	2.44	190.58
Average excluding Sunnyvale & two highest cities	2.48	2.04	168.12
* = Comparison based on second lowest tier rate per hundred cubic feet (ccf). ** = Standard commercial sewer charges per ccf of metered water use. *** = Comparison based on 3 cubic yard bin picked up one time per week. **** = City charges a flat monthly rate of \$43.70. Excluded from average			

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2006 TO JUNE 30, 2017**

													FY 2006/2007 TO FY 2016/2017 TOTAL
	ACTUAL 2005/2006	CURRENT 2006/2007	BUDGET 2007/2008	PLAN 2008/2009	PLAN 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	
RESERVE/FUND BALANCE, JULY 1	10,673,135	9,600,865	7,206,266	8,571,656	8,832,473	7,788,025	9,351,350	10,590,814	11,705,752	11,136,326	11,188,042	12,040,757	9,600,865
CURRENT RESOURCES:													
Service Fees	18,409,562	21,290,985	24,935,363	27,638,646	30,478,777	32,989,639	35,542,675	38,294,331	41,257,469	44,449,073	47,885,788	48,954,246	393,716,993
Recycled Water	667,967	702,450	769,183	838,786	910,124	982,934	1,056,702	1,136,007	1,221,263	1,312,857	1,411,322	1,439,548	11,781,176
Miscellaneous Revenues	645,893	702,282	790,671	706,735	517,661	738,025	1,735,111	656,563	685,075	699,350	690,364	664,776	8,586,612
SCVWD Recycled Water Rebate	229,347	192,510	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	2,262,510
Interest Income	360,120	426,002	425,317	427,781	373,287	453,629	541,467	559,994	634,420	535,445	576,104	644,516	5,597,962
FY 2007/2008 One Time Revenue Loss	0	0	(280,000)	0	0	0	0	0	0	0	0	0	(280,000)
TOTAL CURRENT RESOURCES	20,312,889	23,314,229	26,847,534	29,818,948	32,486,849	35,371,226	39,082,955	40,853,895	44,005,227	47,203,726	50,770,578	51,910,086	421,665,252
TOTAL AVAILABLE RESOURCES	30,986,023	32,915,094	34,053,800	38,390,605	41,319,322	43,159,251	48,434,305	51,444,708	55,710,978	58,340,052	61,958,619	63,950,843	431,266,117
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	0	0	351,700	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	2,813,600
Debt Service	1,177,990	1,190,301	1,173,844	1,174,653	1,174,706	1,174,840	1,169,079	1,174,771	1,174,150	1,173,539	1,174,884	1,174,884	12,929,651
Operations	5,284,975	4,938,018	4,868,011	5,017,593	5,229,286	5,287,836	5,427,958	5,572,098	5,722,915	5,878,809	6,038,989	6,200,617	60,182,130
Purchased Water	10,632,110	12,852,355	14,254,618	15,725,772	17,344,630	19,958,569	23,155,129	27,166,523	32,120,120	35,091,326	37,942,824	38,530,775	274,142,641
Project Operating Costs	0	1,000	0	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	293,639
In-Lieu Charges	2,356,803	2,355,436	2,331,417	2,536,164	2,778,956	2,635,307	2,706,824	2,786,393	2,869,755	2,955,614	3,049,786	3,135,120	30,140,772
Capital Projects	114,719	315,418	130,000	100,000	102,000	318,492	1,538,752	108,243	110,408	112,616	114,869	223,670	3,174,468
Special Projects	51,994	37,272	30,000	201,842	0	31,212	21,224	0	33,122	0	0	58,583	413,256
Infrastructure Projects	1,344,686	3,699,724	2,067,994	3,913,051	5,758,902	3,463,346	2,821,625	2,266,455	1,925,146	1,319,014	1,291,860	965,641	29,492,757
Project Administration	371,617	291,054	250,329	502,456	755,519	550,290	614,165	268,713	218,959	229,485	264,562	226,945	4,172,478
Transfer To General Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Infrastructure Fund	50,264	28,250	24,229	4,900	4,998	5,098	5,200	11,588	15,255	6,122	5,629	5,741	117,010
TOTAL CURRENT REQUIREMENTS	21,385,158	25,708,828	25,482,144	29,558,132	33,531,297	33,807,901	37,843,491	39,738,957	44,574,653	47,152,010	49,917,863	50,557,126	417,872,400
RESERVES:													
Debt Service	1,167,876	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425	1,127,425
Contingencies	3,979,271	4,447,593	4,780,657	5,185,841	5,643,479	6,311,601	7,145,772	8,184,655	9,460,759	10,242,534	10,995,453	11,182,848	11,182,848
Rate Stabilization Reserve	4,453,718	1,631,248	2,663,574	2,519,206	1,017,120	1,912,324	2,317,617	2,393,671	548,142	(181,918)	(82,122)	1,083,443	1,083,443
TOTAL RESERVES	9,600,865	7,206,266	8,571,656	8,832,473	7,788,025	9,351,350	10,590,814	11,705,752	11,136,326	11,188,042	12,040,757	13,393,717	13,393,717
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase	4.5%	11.5%	9.5%	9.0%	8.5%	8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	2.0%	
Purchased Water Percent of Operations	66.8%	72.2%	74.5%	75.8%	76.8%	79.1%	81.0%	83.0%	84.9%	85.7%	86.3%	86.1%	
Percent Change in Purchased Water Cost	-4.2%	20.9%	10.9%	10.3%	10.3%	15.1%	16.0%	17.3%	18.2%	9.3%	8.1%	1.5%	
Blended Purchased Water Rate	-7.1%	14.7%	4.2%	7.2%	7.3%	10.4%	11.6%	12.7%	12.6%	8.1%	10.4%	8.2%	
RATIO:													
Operating Revenues	20,312,889	23,314,229	26,847,534	29,818,948	32,486,849	35,371,226	39,082,955	40,853,895	44,005,227	47,203,726	50,770,578	51,910,086	
Operating Expenditures	19,451,878	21,337,110	22,627,891	24,484,183	26,558,178	29,087,763	32,490,826	36,732,258	41,920,062	45,133,073	48,240,943	49,076,546	
REVENUE : EXPENDITURE	1.044	1.093	1.186	1.218	1.223	1.216	1.203	1.112	1.050	1.046	1.052	1.058	
PRIOR YEAR STATISTICS:													
Prior Year Water Rate Increase	4.5%	11.5%	9.5%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	5.5%	5.0%	

CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2017 TO JUNE 30, 2027

	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	FY 2017/2018 TO FY 2026/2027 TOTAL	FY 2006/2007 TO FY 2026/2027 TOTAL
RESERVE/FUND BALANCE, JULY 1	13,393,717	14,200,841	15,345,710	15,113,876	14,562,515	14,889,725	14,755,984	13,990,398	14,233,758	14,344,427	13,393,717	9,600,865
CURRENT RESOURCES:												
Service Fees	49,801,511	50,414,167	51,032,366	51,661,375	52,294,332	52,938,340	53,588,198	54,781,638	55,770,068	56,773,938	529,055,933	922,772,926
Recycled Water	1,461,141	1,475,753	1,490,510	1,505,415	1,520,470	1,535,674	1,551,031	1,582,052	1,605,782	1,629,869	15,357,698	27,138,874
Miscellaneous Revenues	698,755	779,736	855,902	879,696	868,750	921,767	972,696	986,357	1,062,125	1,126,308	9,152,091	17,738,703
SCVWD Recycled Water Rebate	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	207,000	2,070,000	4,332,510
Interest Income	824,485	872,143	860,213	828,026	847,428	840,392	795,988	809,885	817,573	800,925	8,297,058	13,895,020
FY 2007/2008 One Time Revenue Loss	0	0	0	0	0	0	0	0	0	0	0	(280,000)
TOTAL CURRENT RESOURCES	52,992,892	53,748,799	54,445,991	55,081,512	55,737,979	56,443,173	57,114,913	58,366,931	59,462,549	60,538,040	563,932,780	985,598,033
TOTAL AVAILABLE RESOURCES	66,386,609	67,949,640	69,791,700	70,195,388	70,300,495	71,332,898	71,870,897	72,357,329	73,696,307	74,882,468	577,326,497	995,198,898
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	2,813,600
Debt Service	1,174,904	1,173,822	1,103,190	72,230	72,395	72,499	72,540	72,519	72,805	73,016	3,959,920	16,889,571
Operations	6,580,341	6,807,118	7,044,920	7,288,466	7,540,887	7,805,327	8,076,543	8,359,556	8,654,807	8,959,561	77,117,527	137,299,657
Purchased Water	39,127,900	39,774,067	40,388,904	41,092,876	41,780,816	42,427,770	43,083,485	43,790,355	44,498,484	45,216,575	421,181,232	695,323,873
Project Operating Costs	36,204	37,290	38,409	39,561	40,748	41,971	43,230	44,527	45,862	47,238	415,041	708,680
In-Lieu Charges	3,321,902	3,454,503	3,592,400	3,742,397	3,884,930	4,040,013	4,201,287	4,369,001	4,551,057	4,732,504	39,889,994	70,030,766
Capital Projects	730,120	124,301	128,030	131,871	135,827	139,902	144,099	148,422	152,875	157,461	1,992,910	5,167,379
Special Projects	0	0	38,409	0	27,165	41,971	0	0	45,862	267,684	421,092	834,348
Infrastructure Projects	939,097	1,054,280	2,046,136	2,937,650	1,655,281	1,732,220	1,959,988	1,154,970	1,162,102	1,253,651	15,895,376	45,388,133
Project Administration	269,387	172,457	291,153	321,359	175,929	264,029	253,415	176,153	160,534	237,676	2,322,093	6,494,571
Transfer To General Fund	0	0	0	0	47,540	0	0	0	0	0	47,540	47,540
Transfer To Infrastructure Fund	5,913	6,091	6,273	6,462	49,249	11,213	45,910	8,069	7,491	0	146,671	263,681
TOTAL CURRENT REQUIREMENTS	52,185,768	52,603,930	54,677,824	55,632,873	55,410,770	56,576,914	57,880,499	58,123,571	59,351,879	60,945,368	563,389,397	981,261,797
RESERVES:												
Debt Service	1,127,425	1,127,425	73,016	73,016	73,016	73,016	73,016	73,016	73,016	73,016	73,016	73,016
Contingencies	11,427,060	11,645,296	11,858,456	12,095,336	12,330,426	12,558,274	12,790,007	13,037,478	13,288,323	13,544,034	13,544,034	13,544,034
Rate Stabilization Reserve	1,646,355	2,572,988	3,182,404	2,394,164	2,486,283	2,124,694	1,127,375	1,123,264	983,089	320,050	320,050	320,050
TOTAL RESERVES	14,200,841	15,345,710	15,113,876	14,562,515	14,889,725	14,755,984	13,990,398	14,233,758	14,344,427	13,937,100	13,937,100	13,937,100
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Recommended Water Rate Increase	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	1.5%	1.5%		
Purchased Water Percent of Operations	85.6%	85.4%	85.1%	84.9%	84.7%	84.5%	84.2%	84.0%	83.7%	83.5%		
Percent Change in Purchased Water Cost	1.5%	1.7%	1.5%	1.7%	1.7%	1.5%	1.5%	1.6%	1.6%	1.6%		
Blended Purchased Water Rate	0.0%	2.3%	1.8%	2.0%	1.8%	1.8%	1.9%	1.6%	1.8%	0.0%		
RATIO:												
Operating Revenues	52,992,892	53,748,799	54,445,991	55,081,512	55,737,979	56,443,173	57,114,913	58,366,931	59,462,549	60,538,040		
Operating Expenditures	50,241,251	51,246,800	52,167,823	52,235,530	53,319,777	54,387,579	55,477,086	56,635,957	57,823,015	59,028,895		
REVENUE : EXPENDITURE	1.055	1.049	1.044	1.054	1.045	1.038	1.030	1.031	1.028	1.026		
PRIOR YEAR STATISTICS:												
Prior Year Water Rate Increase	4.5%	4.5%	4.5%	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%	0.0%		

PROGRAM 312
20 Year Water Production Forecast

Attachment D

	ACTUAL 2005/06	CURRENT 2006/07	PLAN 2007/08	PLAN 2008/09	PLAN 2009/10	PLAN 2010/11	PLAN 2011/12	PLAN 2012/13	PLAN 2013/14	PLAN 2014/15	PLAN 2015/16	PLAN 2016/17	TOTAL FY 2006/07 FY 2016/17
SAN FRANCISCO WATER (SFWD):													
UNITS	10,941	10,639	11,166	13,146	13,643	13,711	11,670	10,537	10,537	10,537	10,537	10,537	126,660
% Change	11.9%	-2.8%	5.0%	17.7%	3.8%	0.5%	-14.9%	-9.7%	0.0%	0.0%	0.0%	0.0%	
TOTAL UNIT COST (Incl meter charge)	468	557	590	629	671	800	989	1,258	1,588	1,715	1,824	1,849	
% CHANGE IN UNIT COST	-14.5%	19.7%	6.0%	6.5%	6.8%	19.2%	23.6%	27.2%	26.2%	8.0%	6.3%	1.4%	
ANNUAL METER CHARGES	267,336	267,336	267,336	267,336	267,336	320,803	320,803	320,803	320,803	320,803	384,964	384,964	3,443,288
TOTAL SFWD COST	5,125,140	5,921,220	6,590,418	8,262,532	9,153,920	10,966,409	11,538,217	13,254,711	16,733,932	18,075,648	19,214,583	19,478,198	139,189,787
SCVWD Treated Water:													
UNITS	10,299	12,061	11,016	9,530	9,530	9,530	11,638	12,839	12,906	12,974	13,041	13,108	128,173
% Change	-8.7%	17.1%	-8.7%	-13.5%	0.0%	0.0%	22.1%	10.3%	0.5%	0.5%	0.5%	0.5%	
UNIT COST (Basic)	420	435	475	528	587	652	724	805	895	994	1,095	1,110	
TREATED WATER SURCHARGE	90	100	100	100	100	100	100	103	103	103	106	106	
TOTAL UNIT COST	510	535	575	628	687	752	824	908	998	1,097	1,201	1,216	
% CHANGE IN UNIT COST	3.0%	4.9%	7.5%	9.2%	9.4%	9.5%	9.6%	10.2%	9.9%	9.9%	9.5%	1.3%	
TOTAL SCVWD COST	5,241,683	6,452,635	6,334,200	5,984,840	6,547,110	7,166,560	9,589,712	11,657,812	12,880,188	14,232,478	15,662,241	15,943,654	112,451,430
WELL WATER (SCVWD):													
UNITS	1,268	1,100	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	29,100
% Change	-18.6%	-13.2%	154.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
UNIT COST	420	435	475	528	587	652	724	805	895	994	1,095	1,110	
% Change	3.7%	3.6%	9.2%	11.2%	11.2%	11.1%	11.0%	11.2%	11.2%	11.1%	10.2%	1.4%	
TOTAL WELL WATER (SCVWD)	532,623	478,500	1,330,000	1,478,400	1,643,600	1,825,600	2,027,200	2,254,000	2,506,000	2,783,200	3,066,000	3,108,924	22,501,424
POWER:													
UNITS	1,268	1,100	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	29,100
% Change	-18.6%	-13.2%	154.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
UNIT COST	65	85	80	82	83	85	87	88	91	94	97	99	
% Change	-20.7%	30.8%	-5.9%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	3.3%	3.2%	2.0%	
TOTAL POWER	82,109	93,500	224,000	228,480	233,050	237,711	242,465	247,314	254,800	263,200	271,600	277,032	2,573,151
TOTAL UNIT COST WELL WATER	484.80	520.00	555.00	609.60	670.23	736.90	810.59	893.33	986.00	1,088.00	1,192.00	1,209.27	
TOTAL PURCHASED WATER COSTS	10,981,555	12,945,855	14,478,618	15,954,252	17,577,680	20,196,279	23,397,594	27,413,837	32,374,920	35,354,526	38,214,424	38,807,807	276,715,792
% Change	-6.1%	17.9%	11.8%	10.2%	10.2%	14.9%	15.9%	17.2%	18.1%	9.2%	8.1%	1.6%	
TOTAL RECLAIMED WATER	1,994	1,674	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	19,674
% Change	15.6%	-16.0%	7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
TOTAL PROD. UNITS LESS RECLAIMED	22,508	23,800	24,982	25,476	25,973	26,041	26,108	26,176	26,243	26,311	26,378	26,445	283,933
TOTAL PRODUCTION UNITS	24,502	25,474	26,782	27,276	27,773	27,841	27,908	27,976	28,043	28,111	28,178	28,245	303,607

PROGRAM 312
20 Year Water Production Forecast

Attachment D

	PLAN 2017/18	PLAN 2018/19	PLAN 2019/20	PLAN 2020/21	PLAN 2021/22	PLAN 2022/23	PLAN 2023/24	PLAN 2024/25	PLAN 2025/26	PLAN 2026/27	FY 2017/18 FY 2026/27	TOTAL FY 2006/07 FY 2026/27
SAN FRANCISCO WATER (SFWD):												
UNITS	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	105,370	232,030
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
TOTAL UNIT COST (Incl meter charge)	1,874	1,900	1,926	1,959	1,986	2,013	2,041	2,069	2,097	2,126		
% CHANGE IN UNIT COST	1.4%	1.4%	1.4%	1.8%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%		
ANNUAL METER CHARGES	384,964	384,964	384,964	461,957	461,957	461,957	461,957	461,957	461,957	461,957	4,388,588	7,831,875
TOTAL SFWD COST	19,745,503	20,016,550	20,291,393	20,647,075	20,929,667	21,216,215	21,506,775	21,801,402	22,100,154	22,403,089	210,657,823	349,847,610
SCVWD Treated Water:												
UNITS	13,175	13,242	13,308	13,376	13,442	13,510	13,577	13,644	13,734	13,823	134,831	263,004
% Change	1.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.7%	0.6%		
UNIT COST (Basic)	1,126	1,142	1,158	1,174	1,190	1,207	1,224	1,241	1,258	1,276		
TREATED WATER SURCHARGE	106	109	109	109	113	113	113	116	116	116		
TOTAL UNIT COST	1,232	1,251	1,267	1,283	1,303	1,320	1,337	1,357	1,374	1,392		
% CHANGE IN UNIT COST	1.3%	1.5%	1.3%	1.3%	1.6%	1.3%	1.3%	1.5%	1.3%	1.3%		
TOTAL SCVWD COST	16,229,948	16,560,933	16,856,176	17,159,087	17,518,421	17,832,169	18,150,013	18,514,282	18,875,013	19,240,842	176,936,885	289,388,314
WELL WATER (SCVWD):												
UNITS	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	28,000	57,100
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
UNIT COST	1,126	1,142	1,158	1,174	1,190	1,207	1,224	1,241	1,258	1,276		
% Change	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%		
TOTAL WELL WATER (SCVWD)	3,152,449	3,196,583	3,241,335	3,286,714	3,332,728	3,379,386	3,426,698	3,474,671	3,523,317	3,572,643	33,586,525	56,087,949
POWER:												
UNITS	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	28,000	57,100
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
UNIT COST	102	105	109	112	115	119	122	126	130	134		
% Change	5.2%	2.9%	3.8%	2.8%	2.7%	3.5%	2.5%	3.0%	3.5%	3.0%		
TOTAL POWER	285,600	294,000	305,200	313,600	322,000	333,200	341,600	351,848	364,000	374,920	3,285,968	5,859,119
TOTAL UNIT COST WELL WATER	1,227.87	1,246.64	1,266.62	1,285.83	1,305.26	1,325.92	1,345.82	1,366.61	1,388.33	1,409.84		
TOTAL PURCHASED WATER COSTS	39,413,500	40,068,067	40,694,104	41,406,476	42,102,816	42,760,970	43,425,085	44,142,203	44,862,484	45,591,495	424,467,200	701,182,992
% Change	3.1%	1.7%	1.6%	1.8%	1.7%	1.6%	1.6%	1.7%	1.6%	1.6%		
TOTAL RECLAIMED WATER	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	18,000	58,896
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
TOTAL PROD. UNITS LESS RECLAIMED	26,512	26,579	26,645	26,713	26,779	26,847	26,914	26,981	27,071	27,160	268,201	552,134
TOTAL PRODUCTION UNITS	28,312	28,379	28,445	28,513	28,579	28,647	28,714	28,781	28,871	28,960	286,201	589,808

Water Rate Survey

CITY	EFFECTIVE DATE	MONTHLY	BI-MONTHLY		UNIT	RATE	CONSERVATION	MONTHLY		OTHER	SOURCE OF SUPPLY		SPECIAL	RECYCLED	NOTES/ FUTURE CHANGES		
		RATE BLOCKS	RATE BLOCKS	METER RENTAL					SUPPLIER		%	RATES				WATER	
		FROM	TO	FROM	TO			PENALTY SYSTEM	SIZE	CHARGE	CHARGES						
CAL WATER CO (Los Altos and portions of Cupertino, Mt. View, and Sunnyvale)																	
Residential	1/1/2007	1 +				ccf	2.0905		5/8	10.47	See notes	SCVWD	65%	Yes	No	<\$.501/ccf> credit for agricultural users \$.25 per month surcharge for the 36 months starting with July 26, 2005	
									3/4	15.71		Wells	35%				
									1	22.07							
									1 1/2	35.31							
									2	55.16							
									3	95.99							
									4	132.40							
									6	215.14							
									8	344.23							
									10	441.32							
									12	633.18							
Commercial		1 +				ccf	2.0905		14	863.77							
MILPITAS																	
Residential	7/24/2006			1 - 20		ccf	1.4900		5/8	9.43	No	Hetch Hetchy	60%	Yes	Yes	Industrial Inside (dual plumbing) Agriculture City Former wells All others City of Milpitas County of Santa Clara	
				21 +		ccf	3.1300		3/4	10.03		SCVWD	40%		\$1.70/ccf		
									1	14.24					\$1.70/ccf		
									1 1/2	17.96					\$1.70/ccf		
									2	23.44					\$1.70/ccf		
									3	62.75					\$1.70/ccf		
Commercial				1 +		ccf	3.4000		5/8	9.95					\$1.70/ccf		
									3/4	10.58				\$1.12			
Irrigation				1 +		ccf	3.8900		1	15.06				\$1.02			
									1 1/2	18.98							
									2	24.75							
									3	66.26							
MTN VIEW																	
Residential	07/01/06	0 - 3				ccf	1.3500	None	5/8	4.10		Hetch Hetchy	87%	No	No		
		4 - 25				ccf	2.7700		3/4	4.10		Wells	5%				
		26 +				ccf	5.5200		1	8.20		SCVWD	8%				
									1 1/2	13.30							
									2	24.80							
Commercial		0 - 20*				ccf	2.7700		3	43.05							
		21 - 200*				ccf	2.9900		4	67.70							
		201 + *				ccf	5.5200		6	135.55							
									8	215.85							
									10	315.00							

Water Rate Survey

[illegible]

Water Rate Survey

[illegible]

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2006 TO JUNE 30, 2017**

	ACTUAL 2005/2006	CURRENT 2006/2007	BUDGET 2007/2008	PLAN 2008/2009	PLAN 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	FY 2006/2007 TO FY 2016/2017 TOTAL
RESERVE/FUND BALANCE, JULY 1	24,382,827	22,533,298	15,641,225	12,844,448	10,966,914	8,662,980	6,785,321	4,885,397	6,353,357	6,348,040	8,757,844	7,289,553	22,533,298
CURRENT RESOURCES:													
Service Fees	17,599,181	17,942,864	19,468,007	21,122,788	22,918,225	24,751,683	26,731,818	28,870,363	31,035,640	33,363,313	35,865,562	38,555,479	300,625,744
Connection Fees	668,510	1,200,000	2,383,110	2,515,465	483,786	564,740	691,175	789,445	834,908	837,522	770,221	594,996	11,665,367
Miscellaneous Revenues	405,652	502,611	525,171	483,259	431,138	466,578	515,890	557,691	584,398	599,508	595,042	617,686	5,878,969
Interest Income	765,007	851,184	721,782	630,105	508,676	433,645	370,865	402,409	415,301	511,057	442,503	438,966	5,726,493
Transfer In General Services Fund	0	0	60,000	0	0	0	0	0	0	0	0	0	60,000
FY 2007/2008 One Time Revenue Loss	0	0	(300,000)	0	0	0	0	0	0	0	0	0	(300,000)
Bond Proceeds	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
TOTAL CURRENT RESOURCES	19,438,350	20,496,659	22,858,070	24,751,617	31,991,825	34,019,645	36,268,807	38,738,149	88,074,287	91,619,521	95,107,612	98,790,095	582,716,288
TOTAL AVAILABLE RESOURCES	43,821,176	43,029,957	38,499,295	37,596,064	42,958,739	42,682,625	43,054,128	43,623,546	94,427,644	97,967,561	103,865,456	106,079,649	605,249,586
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	1,161,345	1,161,345	3,458,637	3,458,637	3,458,637	3,458,637	3,458,637	3,458,637	0	0	0	0	21,913,169
Debt Service	1,562,081	1,570,281	1,558,566	1,559,666	1,559,502	1,559,737	1,551,926	1,559,569	1,558,603	1,557,686	1,559,478	1,558,050	17,153,064
Debt Service for New WPCP	0	0	0	0	159,375	478,125	796,875	1,115,625	7,053,687	7,321,437	13,100,600	13,655,312	43,681,036
Operations	12,651,173	12,387,726	12,213,120	12,533,830	13,082,340	13,437,146	13,801,893	14,176,867	14,562,362	14,958,682	15,366,138	15,785,052	152,305,154
Wastewater Equipment Replacement	663,050	663,050	663,050	686,257	710,276	735,135	760,865	787,495	815,058	843,585	873,110	903,669	8,441,550
In-Lieu Charges	2,023,051	2,139,717	2,060,743	2,136,230	2,260,348	2,327,143	2,389,281	2,460,477	2,533,796	2,609,306	2,687,068	2,767,153	26,371,262
Capital Projects	278,308	491,837	258,000	642,077	48,960	702,033	1,914,063	301,957	852,996	54,056	55,137	56,240	5,377,355
Special Projects	306,479	619,671	48,043	48,588	149,559	100,489	51,562	52,593	53,645	54,718	110,949	56,928	1,346,745
Infrastructure Projects	1,036,581	6,761,011	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	3,839,921	45,160,226
New Water Pollution Control Plant Project	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
Project Administration	547,333	545,115	478,966	505,243	253,438	237,853	449,537	168,601	288,156	350,608	183,427	221,975	3,682,918
Water Pollution Control Plant Rent	296,748	296,748	302,683	308,737	314,911	324,359	334,089	344,112	354,436	365,069	376,021	387,301	3,708,465
Transfer To General Fund (Pwr Gen. Facility)	716,431	737,924	760,062	782,864	806,350	830,541	855,457	881,120	907,554	943,856	981,610	1,020,875	9,508,213
Transfer To General Fund	0	0	0	0	0	36,414	0	0	0	0	0	0	36,414
Transfer To General Services Fund	0	0	1,526	125,000	0	24,582	3,332	0	0	0	5,743	0	160,183
Transfer To Infrastructure Fund	45,298	14,308	11,530	2,100	2,142	2,189	2,232	4,973	55,351	2,672	2,416	2,464	102,377
TOTAL CURRENT REQUIREMENTS	21,287,878	27,388,733	25,654,847	26,629,150	34,295,759	35,897,305	38,168,731	37,270,189	88,079,604	89,209,717	96,575,903	98,837,909	598,007,847
RESERVES:													
Debt Service	1,514,043	1,514,043	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061
Contingencies	3,162,793	3,096,931	3,053,280	3,133,457	3,270,585	3,359,286	3,450,473	3,544,217	3,640,591	3,739,671	3,841,535	3,946,263	3,946,263
Rate Stabilization Reserve	17,856,462	11,030,250	8,230,107	6,272,396	3,831,334	1,864,973	(126,137)	1,248,079	1,146,388	3,457,112	1,886,958	1,734,415	1,734,415
TOTAL RESERVES	22,533,298	15,641,225	12,844,448	10,966,914	8,662,980	6,785,321	4,885,397	6,353,357	6,348,040	8,757,844	7,289,553	7,241,739	7,241,739
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase	5.5%	6.0%	8.5%	8.5%	8.5%	8.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.5%	
PRIOR YEAR STATISTICS:													
Prior Year Sewer Rate Increase	5.0%	7.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	2.5%	1.0%	

CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2017 TO JUNE 30, 2027

	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	FY 2017/2018 TO FY 2026/2027 TOTAL	FY 2006/2007 TO FY 2026/2027 TOTAL
RESERVE/FUND BALANCE, JULY 1	7,241,739	6,058,473	6,551,705	7,143,436	7,264,112	7,285,886	7,188,886	7,255,024	7,485,795	7,613,576	7,241,739	22,533,298
CURRENT RESOURCES:												
Service Fees	40,097,698	41,501,118	42,331,140	43,177,763	44,041,318	44,922,145	45,820,587	46,736,999	47,671,739	48,148,457	444,448,964	745,074,708
Connection Fees	701,302	866,644	999,472	928,081	723,903	853,241	1,054,405	1,216,011	1,298,526	1,350,467	9,992,050	21,657,417
Miscellaneous Revenues	641,824	666,267	689,652	713,902	739,048	765,125	792,169	820,217	849,307	1,473,639	8,151,150	14,030,120
Interest Income	417,773	445,791	479,387	488,114	487,663	482,284	486,143	499,323	508,755	522,122	4,817,355	10,543,848
Transfer In General Services Fund	0	0	0	0	0	0	0	0	0	0	180,000	240,000
FY 2007/2008 One Time Revenue Loss	0	0	0	0	0	0	0	0	0	0	0	(300,000)
Bond Proceeds	60,340,458	62,150,672	0	0	0	0	0	0	0	0	122,491,130	381,550,845
TOTAL CURRENT RESOURCES	102,199,055	105,630,492	44,499,652	45,307,860	45,991,932	47,022,794	48,153,304	49,272,550	50,328,327	51,494,684	590,080,650	1,172,796,938
TOTAL AVAILABLE RESOURCES	109,440,794	111,688,965	51,051,357	52,451,296	53,256,044	54,308,680	55,342,191	56,527,574	57,814,122	59,108,259	597,322,389	1,195,330,236
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	21,913,169
Debt Service	1,559,031	988,553	987,210	984,324	984,770	988,298	984,908	985,105	985,250	985,250	10,432,699	27,585,763
Debt Service for New WPCP	16,643,499	17,364,249	17,505,807	17,906,537	17,912,691	18,042,134	18,046,211	18,042,595	18,047,576	18,042,384	177,553,683	221,234,719
Operations	16,539,822	16,135,100	16,721,470	17,329,523	17,960,074	18,613,968	19,292,083	19,995,329	20,724,652	21,481,033	184,793,054	337,098,208
Wastewater Equipment Replacement	930,779	958,703	987,464	1,017,088	1,047,600	1,079,028	1,111,399	1,144,741	1,179,083	1,214,456	10,670,340	19,111,890
In-Lieu Charges	2,930,323	3,046,944	3,168,209	3,294,303	3,425,420	3,561,757	3,703,523	3,850,937	4,004,221	4,163,610	35,149,247	61,520,509
Capital Projects	57,927	59,664	61,454	63,298	65,197	67,153	69,168	71,243	73,380	75,582	664,068	6,041,423
Special Projects	58,636	60,395	62,207	127,371	65,995	67,975	70,014	72,115	147,658	76,506	808,872	2,155,618
Infrastructure Projects	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	2,527,808	25,278,077	70,438,303
New Water Pollution Control Plant Project	60,340,458	62,150,672	0	0	0	0	0	0	0	0	122,491,130	381,550,845
Project Administration	326,995	319,472	299,593	280,198	247,404	385,070	345,606	421,199	442,279	569,665	3,637,482	7,320,400
Water Pollution Control Plant Rent	402,793	418,905	435,661	453,088	471,211	490,060	509,662	530,048	551,250	573,300	4,835,979	8,544,445
Transfer To General Fund (Pwr Gen. Facility)	1,061,710	1,104,178	1,148,345	1,194,279	1,242,050	1,291,732	1,343,402	1,397,138	1,453,023	1,511,144	12,747,002	22,255,215
Transfer To General Fund	0	0	0	0	0	0	0	0	53,506	0	53,506	89,920
Transfer To General Services Fund	0	0	0	6,594	0	0	0	0	7,644	0	14,238	174,421
Transfer To Infrastructure Fund	2,540	2,616	2,693	2,774	19,937	4,811	83,383	3,521	3,216	3,313	128,804	231,181
TOTAL CURRENT REQUIREMENTS	103,382,321	105,137,259	43,907,921	45,187,184	45,970,158	47,119,794	48,087,167	49,041,778	50,200,547	51,224,051	589,258,181	1,187,266,028
RESERVES:												
Debt Service	1,561,061	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250
Contingencies	4,134,956	4,033,775	4,180,367	4,332,381	4,490,018	4,653,492	4,823,021	4,998,832	5,181,163	5,370,258	5,370,258	5,370,258
Rate Stabilization Reserve	362,456	1,528,680	1,973,819	1,942,481	1,806,617	1,546,144	1,442,753	1,497,713	1,443,163	1,524,700	1,524,700	1,524,700
TOTAL RESERVES	6,058,473	6,551,705	7,143,436	7,264,112	7,285,886	7,188,886	7,255,024	7,485,795	7,613,576	7,884,208	7,884,208	7,884,208
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	180,000	180,000
STATISTICS:												
Sewer Rate Increase	4.0%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%		
PRIOR YEAR STATISTICS:												
Prior Year Sewer Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	0.0%		

Wastewater Rate Survey

City	Effective Date	Monthly Rates For				Comments
		Residential	Apartments	Mobile Homes	Standard Commercial	
Cupertino	7/1/2005	21.00	21.00/unit	21.00/unit	1.889/ccf*	*Min \$15.75/mo
Los Altos	7/1/2006	23.75	23.75/unit	N/A	43.70	Plus 21.85 for each toilet/urnial over one
Fremont	7/1/2007	19.04	16.82/unit	16.82/unit	2.25/ccf*	*Moderate rate: \$4.79/ccf strong, \$2.58/ccf moderate Restaurants: fast food, \$4.56/1000 gal ; full service \$5.85/1000 gal
Milpitas	7/24/2006	29.85	21.57/unit	13.44/unit	2.39/ccf*	*Plus bi-monthly flat rate of \$10.08
Mountain View	7/1/2006	19.95	19.95/unit	19.95/unit	2.50/ccf*	*Minimum sewer charge \$17.50
Palo Alto	7/1/2006	23.48	23.48/unit	23.48/unit	4.83/ccf*	*Minimum charge \$23.48
San Jose	7/1/2007	23.57	13.47/unit	13.48/unit	1.95/ccf*	*basis: 2006 rate for miscellaneous commercial properties
Santa Clara	7/1/2006	10.54	10.54/unit	10.54/unit	1.145/ccf	Charged on 90% of metered water use; minimum charge \$12.60/mo proposed
	7/1/2007	11.59	11.59/unit	11.59/unit	1.260/ccf	
Sunnyvale	7/20/2007	23.98	14.98/unit	14.98/unit	2.3408/ccf	<i>pending approval</i>

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2006 TO JUNE 30, 2017**

													FY 2006/2007 TO FY 2016/2017 TOTAL
	ACTUAL 2005/2006	CURRENT 2006/2007	BUDGET 2007/2008	PLAN 2008/2009	PLAN 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	
RESERVE/FUND BALANCE, JULY 1	6,937,531	4,537,183	3,012,611	4,638,832	4,295,275	3,916,206	3,000,524	2,845,633	3,783,942	5,290,691	5,356,838	5,322,982	4,537,183
CURRENT RESOURCES:													
Franchise Fee - Collection	1,463,283	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	147,644	150,500	154,869	159,466	164,250	169,178	174,253	179,481	184,865	190,411	196,124	202,007	1,925,405
Service Fees	26,826,020	28,150,304	29,980,074	31,630,447	33,276,780	34,956,925	36,721,900	38,190,776	39,527,453	40,713,277	41,934,675	42,773,368	397,855,979
Miscellaneous Revenues	492,975	558,611	571,228	583,102	595,222	607,552	620,318	631,842	642,848	653,254	663,883	672,893	6,800,753
SMaRT Station Revenues	660,583	659,686	1,757,719	1,428,196	1,453,709	1,479,768	1,508,122	1,519,154	1,547,988	1,576,353	1,605,356	1,635,015	16,171,065
County Wide AB939 Fee	151,223	132,118	148,107	123,157	124,379	125,612	126,901	127,766	129,071	130,361	131,665	132,982	1,432,119
Landfill Gas Revenue	35,495	19,240	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	319,240
Interest Income	259,918	435,131	511,473	503,830	494,758	460,403	462,553	551,105	605,671	622,970	636,073	627,186	5,911,153
FY 2007/2008 One Time Revenue Loss	0	(220,000)	0	0	0	0	0	0	0	0	0	0	(220,000)
TOTAL CURRENT RESOURCES	30,037,140	29,885,590	33,153,469	34,458,200	36,139,098	37,829,438	39,644,047	41,230,123	42,667,896	43,916,626	45,197,775	46,073,451	430,195,714
TOTAL AVAILABLE RESOURCES	36,974,671	34,422,773	36,166,080	39,097,032	40,434,374	41,745,644	42,644,571	44,075,757	46,451,838	49,207,316	50,554,613	51,396,433	434,732,897
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	0	750,000	750,000	976,440	1,367,016	3,124,259	3,124,259	3,124,259	3,124,259	4,603,652	4,603,652	4,603,652	30,151,447
Debt Service	75,337	88,223	72,121	72,134	72,484	72,408	72,293	72,517	72,690	72,812	72,883	72,883	813,446
SMaRT Station Debt Service	1,028,461	1,031,038	1,031,317	1,029,889	1,031,250	1,031,409	1,030,027	1,031,381	1,031,603	1,031,084	1,030,670	1,030,207	11,339,874
Estimated Future SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
New MRF Debt Service	0	0	66,564	606,228	607,469	607,845	607,328	606,082	606,856	606,760	608,329	605,883	5,529,343
Operations	1,989,596	2,026,072	2,122,400	2,169,071	2,254,639	2,313,214	2,373,382	2,435,190	2,498,684	2,563,911	2,630,921	2,699,765	26,087,249
Solid Waste Collection Contract	15,885,844	15,880,386	15,625,577	16,330,040	16,786,722	17,202,209	17,604,930	18,271,374	18,832,938	19,448,457	20,431,009	20,933,451	197,347,092
Franchise Fee	1,463,283	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects	559,339	53,321	50,000	0	323,340	0	0	0	0	0	0	0	426,661
Special Projects	75,281	124,497	0	50,000	27,642	0	98,106	83,008	0	106,094	0	0	489,348
Infrastructure Projects	0	0	96,000	0	0	0	106,120	0	0	0	0	351,496	553,616
Project Administration	43,791	44,696	3,287	0	43,498	0	0	0	0	0	0	0	91,480
SMaRT Capital Replacement	608,080	718,640	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	3,206,240
In-Lieu Charges	2,245,666	2,267,681	2,163,622	2,256,932	2,392,222	2,463,959	2,537,643	2,613,758	2,692,155	2,772,905	2,856,076	2,941,742	27,958,695
SMaRT Expense Share (Sunnyvale)	8,062,750	8,092,007	8,952,717	10,708,345	10,998,589	11,296,872	11,603,090	11,407,148	11,642,915	11,973,446	12,314,057	12,604,278	121,593,465
Long Term Rent - 301 Carl Rd. (SMaRT)	333,602	333,602	343,610	353,918	364,536	375,472	386,736	398,338	410,288	422,597	435,275	448,333	4,272,706
Transfer to General Fund	0	0	0	0	0	0	0	0	0	0	0	41,008	41,008
Transfer To Infrastructure Fund	66,458	0	1,071	0	0	8,714	6,263	0	0	0	0	0	16,048
TOTAL CURRENT REQUIREMENTS	32,437,488	31,410,162	31,527,249	34,801,756	36,518,168	38,745,120	39,798,937	40,291,815	41,161,147	43,850,478	45,231,631	46,581,458	429,917,922
RESERVES:													
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	2,593,819	2,599,846	2,670,069	2,920,746	3,003,995	3,081,229	3,158,140	3,211,371	3,297,454	3,398,581	3,537,599	3,623,750	3,623,750
20 Year Resource Allocation Plan	1,880,450	349,850	1,905,848	1,311,616	849,297	(143,619)	(375,421)	509,657	1,930,323	1,895,342	1,722,469	1,128,311	1,128,311
TOTAL RESERVES	4,537,183	3,012,611	4,638,832	4,295,275	3,916,206	3,000,524	2,845,633	3,783,942	5,290,691	5,356,838	5,322,982	4,814,975	4,814,975
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Refuse Rate Increase	5.5%	5.5%	6.5%	5.5%	5.2%	5.0%	5.0%	4.0%	3.5%	3.0%	3.0%	2.0%	
PRIOR YEAR STATISTICS:													
Refuse Rate Increase	4.5%	5.5%	5.5%	5.0%	5.0%	5.0%	5.0%	4.5%	3.0%	2.0%	2.0%	2.5%	

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2017 TO JUNE 30, 2027**

	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	FY 2017/2018 TO FY 2026/2027 TOTAL	FY 2006/2007 TO FY 2026/2027 TOTAL
RESERVE/FUND BALANCE, JULY 1	4,814,975	4,449,957	4,596,212	4,810,096	7,647,404	10,001,954	12,020,090	12,888,372	12,554,808	10,752,046	4,814,975	4,537,183
CURRENT RESOURCES:												
Franchise Fee - Collection	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	210,088	218,491	227,231	236,320	245,773	255,604	265,828	276,461	287,519	299,020	2,522,335	4,447,740
Service Fees	43,649,795	44,522,791	45,413,247	46,321,511	47,247,942	48,192,901	48,915,794	49,649,531	50,394,274	50,898,217	475,206,001	873,061,980
Miscellaneous Revenues	682,407	691,994	701,749	711,676	721,779	732,061	741,465	751,019	760,728	769,483	7,264,361	14,065,114
SMaRT Station Revenues	1,667,127	1,700,093	1,733,942	1,768,707	1,804,419	1,841,114	1,878,826	1,917,593	1,957,453	1,998,448	18,267,721	34,438,786
County Wide AB939 Fee	134,311	135,655	137,011	138,381	139,765	141,163	142,574	144,000	0	0	1,112,860	2,544,979
Landfill Gas Revenue	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000	619,240
Interest Income	661,799	686,473	715,633	893,969	1,045,690	1,179,106	1,248,202	1,250,068	1,169,602	986,319	9,836,861	15,748,014
FY 2007/2008 One Time Revenue Loss	0	0	0	0	0	0	0	0	0	0	0	(220,000)
TOTAL CURRENT RESOURCES	47,035,526	47,985,496	48,958,813	50,100,565	51,235,368	52,371,947	53,222,689	54,018,672	54,599,577	54,981,486	514,510,140	944,705,853
TOTAL AVAILABLE RESOURCES	51,850,501	52,435,454	53,555,025	54,910,661	58,882,772	62,373,902	65,242,779	66,907,044	67,154,385	65,733,533	519,325,114	949,243,036
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	4,603,652	4,603,652	4,603,652	0	0	0	0	0	0	0	13,810,955	43,962,402
Debt Service	72,904	72,874	73,169	73,401	73,569	73,675	73,716	73,695	73,986	74,201	735,189	1,548,635
SMaRT Station Debt Service	1,029,543	0	0	0	0	0	0	0	0	0	1,029,543	12,369,417
Estimated Future SMaRT Station Debt Service	0	0	0	1,030,207	1,030,207	1,030,207	1,030,207	1,030,207	1,030,207	1,030,207	7,211,448	7,211,448
New MRF Debt Service	608,027	605,971	608,086	605,786	607,721	0	0	0	0	0	3,035,591	8,564,934
Operations	2,848,321	2,977,151	3,116,784	3,268,992	3,435,922	3,620,178	3,824,924	4,054,010	4,312,124	4,604,977	36,063,383	62,150,632
Solid Waste Collection Contract	21,456,596	22,314,859	22,047,081	22,928,964	23,846,123	24,799,968	25,791,967	26,823,645	27,896,591	29,012,455	246,918,250	444,265,342
Franchise Fee	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	426,661
Special Projects	48,760	62,151	0	199,388	67,914	53,835	0	74,211	124,818	0	631,077	1,120,425
Infrastructure Projects	0	0	0	0	0	0	0	0	0	0	0	553,616
Project Administration	0	0	0	0	0	0	0	0	0	0	0	91,480
SMaRT Capital Replacement	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	248,760	2,487,600	5,693,840
In-Lieu Charges	3,118,158	3,242,868	3,372,563	3,507,447	3,647,725	3,793,612	3,945,336	4,103,126	4,267,229	4,437,894	37,435,958	65,394,653
SMaRT Expense Share (Sunnyvale)	12,899,556	13,226,039	14,170,520	14,875,826	15,354,199	16,166,293	16,849,522	17,311,579	17,784,381	18,543,797	157,181,711	278,775,176
Long Term Rent - 301 Carl Rd. (SMaRT)	466,267	484,917	504,314	524,486	545,466	567,285	589,976	613,575	638,118	663,643	5,598,046	9,870,752
Transfer to General Fund	0	0	0	0	0	0	0	0	0	0	0	41,008
Transfer To Infrastructure Fund	0	0	0	0	23,212	0	0	19,427	26,125	0	68,764	84,812
TOTAL CURRENT REQUIREMENTS	47,400,544	47,839,242	48,744,929	47,263,257	48,880,817	50,353,812	52,354,408	54,352,235	56,402,339	58,615,933	512,207,515	942,125,437
RESERVES:												
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	3,720,447	3,851,805	3,933,439	4,107,378	4,263,624	4,458,644	4,646,641	4,818,923	4,999,310	5,216,123	5,216,123	5,216,123
20 Year Resource Allocation Plan	666,596	681,493	813,743	3,477,112	5,675,416	7,498,532	8,178,816	7,672,971	5,689,823	1,838,563	1,838,563	1,838,563
TOTAL RESERVES	4,449,957	4,596,212	4,810,096	7,647,404	10,001,954	12,020,090	12,888,372	12,554,808	10,752,046	7,117,600	7,117,600	7,117,600
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Refuse Rate Increase	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.5%	1.5%	1.5%	1.0%		
PRIOR YEAR STATISTICS:												
Refuse Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%		

Solid Waste Collection Rate Survey

City	Monthly Rates For										Comments
	1-can	2-cans	3-cans	Unlimited	Extra Can Charge	Mobile Home Park	Disabled/Back yd	3yd ³ 1x/wk	30 cy bin rental and dump		
Cupertino 8/1/2006	18.66	37.32	55.97	N/A	18.66	N/A	1 can - 28.68 2 cans - 57.37 3 cans - 86.05	174.15	662.24	Discounted senior citizen rate offered: (1 can=\$9.33) *5 tons; Ea add'l ton=\$66.84 7 day rental	
Los Altos 9/1/2005	33.48	61.05	88.62	N/A	11.88	N/A	N/A	238.22	701.07	*5 tons; Ea add'l ton=\$88.01 7 day rental \$243.59/day	
Fremont 5/1/2006 - 12/31/2007	22.36	24.49	36.05	N/A	N/A	N/A	N/A	143.66	390.64 *	*per haul rate, non-compacted; \$1,036.79 compacted	
Milpitas eff 1/1/2007						7.22	One 32-gallon can	161.04	608.80	* Includes cart rental \$2.62/mo	
Single Unit w/yard trimmings*				28.59		11.08	Two 32-gallon cans				
Single Unit w/o yard trimmings*				22.99							
Senior Citizen w/yard trimmings*				15.60							
Senior Citizen w/o yard trimmings*				12.79							
Mountain View	15.30	30.60	45.90	N/A		N/A	N/A	207.40	703.85	Daily Rental: \$9.70	
Palo Alto 7/1/2005	21.38*	44.01*	66.64*	N/A	7.72	N/A	10.10 extra can	262.55 + \$51.15 bin rental	697.36	*Excludes \$2.16 optional cart rental: Mini can (20 gal)=\$16.87	
San Jose 8/1/2006	20.15	40.30	60.45	N/A	4.90	N/A	N/A	170.33	497.00	20 gal can=\$18.98 up to 4 tons -> over 4 tons, \$55/ton 7 day rental - \$12/day thereafter Stevens Creek Disposal Svc	
Santa Clara** 7/1/2006	19.50	27.59	35.68	N/A	8.09	N/A	14.45*	146.85	621.60	*20 gal can super saver rate	
7/1/2007 3.6% incr	20.30	28.69	37.08		8.39		14.95*	152.14	644.10	**All rates include \$3.80 per month for annual cleanup + .25 haz waste surcharge (Low income=.90 reduction per can size)	
Sunnyvale	23.12	N/A	N/A	33.00	8.01	21.91	23.12	215.71	877.96		

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE ESTABLISHING RATES AND CHARGES FOR
WATER, WASTEWATER AND SOLID WASTE COLLECTION
AND DISPOSAL SERVICES FOR FISCAL YEAR 2007/2008 AND
REPEALING ALL RESOLUTIONS OR PORTIONS THEREOF
INCONSISTENT HERewith**

WHEREAS, the City Council is empowered to impose reasonable rates and charges for municipal services;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT IT IMPOSES RATES AND CHARGES AS FOLLOWS:

SECTION 1. WATER, WASTEWATER AND DISPOSAL SERVICES WITHIN CITY LIMITS. (Sunnyvale Municipal Code Chapters 8.16, 12.16 and 12.24.) Water, wastewater and disposal services sold to consumers within the corporate limits of the City of Sunnyvale shall be sold at the rates specified in the attached spreadsheet.

SECTION 2. EFFECTIVE DATES. This resolution shall be effective upon adoption, and shall be operative commencing with all billings rendered on or after July 1, 2007, and shall apply to all utility services rendered included in such billings which were rendered on or after the date of adoption of this resolution.

SECTION 3. ENVIRONMENTAL FINDINGS. The City Council finds that adoption of this resolution is exempt from the requirements of the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(8) and further advises that the modifications of the rates contained herein are for the purposes of (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment or materials; (3) meeting financial reserve needs and requirements; (4) obtaining funds for capital projects necessary to maintain current service levels; and (5) obtaining funds necessary to maintain intra-city transfers.

Adopted by the City Council at a regular meeting held on June 12, 2007, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney

SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES **FISCAL YEAR 2007/08**

WATER RATES – Within City Limits

All potable water users billed monthly and bi-monthly, except landscape, agricultural and institutional users, shall pay a water charge for each on hundred (100) cubic feet, or part thereof, of water as follows:

Apartment Users¹ (Per Hundred Cubic Feet)	Current Rate	Proposed Rate	% Increase
0 – 4 CCF	\$ 1.1789	\$ 1.2909	9.5%
5 – 23 CCF	\$ 2.2833	\$ 2.5002	9.5%
24 – 35 CCF	\$ 2.4320	\$ 2.6630	9.5%
36+ CCF	\$ 2.5052	\$ 2.7432	9.5%
Residential Users (other than Apartments)			
0 – 6 CCF	\$ 1.1789	\$ 1.2909	9.5%
7 – 33 CCF	\$ 2.2833	\$ 2.5002	9.5%
34 – 50 CCF	\$ 2.4320	\$ 2.6630	9.5%
51 + CCF	\$ 2.5052	\$ 2.7432	9.5%

¹In residential developments where two (2) or more dwelling units are served by a common meter, the upper limit (in cubic feet) of each rate block shall be multiplied by the dwelling units served by the common meter in calculating the rates to be applied to water usage monitored by the common meter. In such case, the lower limit of each rate block shall be one (1) cubic foot over the upper limit of the next lower rate block.

Commercial, Industrial, Fire Line, and New Construction Users (Per Hundred Cubic Feet)			
0 – 6 CCF	\$ 1.1789	\$ 1.2909	9.5%
7 – 20 CCF	\$ 2.2833	\$ 2.5002	9.5%
21 – 50 CCF	\$ 2.4320	\$ 2.6630	9.5%
51 – 500 CCF	\$ 2.5052	\$ 2.7432	9.5%
501 – 1250 CCF	\$ 2.5702	\$ 2.8144	9.5%
1251 – 2500 CCF	\$ 2.6400	\$ 2.8908	9.5%
2501+ CCF	\$ 2.7021	\$ 2.9588	9.5%

Other Users (Per Hundred Cubic Feet)			
Landscape Users	\$ 2.4815	\$ 2.7172	9.5%
Agricultural and Institutional Users	\$ 1.1789	\$ 1.2909	9.5%
Reclaimed Water – Landscape Users	\$ 2.2349	\$ 2.4472	9.5%
Reclaimed Water – Agricultural and Institutional Users	\$ 1.0610	\$ 1.1618	9.5%

WATER SERVICE FEES (by meter size)

In addition to water use as noted above, all users who are billed monthly and bi-monthly shall pay service charges based on meter size as follows:

Meter Size	Current Rate Monthly	Proposed Rate Monthly	Current Rate Bi-Monthly	Proposed Rate Bi-Monthly	% Increase
5/8" x 3/4"	\$ 3.94	\$ 4.31	\$ 7.88	\$ 8.62	9.5%
3/4"	\$ 4.49	\$ 4.92	\$ 8.98	\$ 9.84	9.5%
1"	\$ 7.47	\$ 8.18	\$ 14.94	\$ 16.36	9.5%
1-1/2"	\$ 11.82	\$ 12.94	\$ 23.64	\$ 25.88	9.5%
2"	\$ 19.57	\$ 21.43	\$ 39.14	\$ 42.86	9.5%
3"	\$ 35.19	\$ 38.53	\$ 70.38	\$ 77.06	9.5%
4"	\$ 45.02	\$ 49.30	\$ 90.04	\$ 98.60	9.5%
6"	\$ 75.98	\$ 83.20	\$ 151.96	\$ 166.40	9.5%
8"	\$ 149.14	\$ 163.31	\$ 298.28	\$ 326.62	9.5%
10"	\$ 194.17	\$ 212.62	\$ 388.34	\$ 425.24	9.5%
12"	\$ 251.86	\$ 275.79	\$ 503.72	\$ 551.58	9.5%

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SEWER RATES

Residential Users	Current Rate Monthly	Proposed Rate Monthly	Current Rate Bi-Monthly	Proposed Rate Bi-Monthly	% Increase
Single Family Dwellings, per unit	\$ 22.10	\$ 23.98	\$ 44.20	\$ 47.96	8.5%
All other Residential Dwellings, per unit	\$ 13.81	\$ 14.98	\$ 27.62	\$ 29.96	8.5%

Commercial Users (per 100 cubic ft.)	Current Rate	Proposed Rate	% Increase
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The monthly rate for sewer rental and service for each commercial user shall be the following charge for each one hundred (100) cubic feet or fraction thereof of sanitary sewage and waste discharge for the premises:

Low Strength	\$ 1.9170	\$ 2.0799	8.5%
Standard Strength	\$ 2.1574	\$ 2.3408	8.5%
High Strength	\$ 4.4839	\$ 4.4839	0.0%

**Significant Industrial Users **
(per 100 cubic feet)**

The monthly rate for sewer rental and service for all significant industrial users for each one hundred (100) cubic feet or fraction thereof, of sanitary sewage and waste discharge from the premises shall be the annual flow total in one hundred cubic feet divided into the sum of the following:

Per 1,000,000 gallons of sewage discharged plus	\$ 2,050.42	\$ 2,224.71	8.5%
Per 1,000 pounds of "suspended solids" discharged plus	\$ 1,424.62	\$ 1,545.71	8.5%
Per 1,000 pounds of "total organic carbon" discharged plus	\$ 846.78	\$ 918.76	8.5%
Per 1,000 pounds of "ammonia nitrogen"	\$ 2,635.44	\$ 2,859.45	8.5%

** The Monthly rate shall not be less than the Standard Strength rate for commercial premises

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SOLID WASTE COLLECTION/DISPOSAL RATES

Single, Two- and Three- Family Units	Current Rate	Proposed Rate	% Increase
One collection per week			
Residential Unlimited Service (No limit on number of 32-gallon standard containers, fee per living unit)	\$ 30.99	\$ 33.00	6.5%
Baseline Unlimited Service (limit one 32-gallon standard containers, fee per living unit)	\$ 21.71	\$ 23.12	6.5%
Each additional 32-gallon standard container, bag or box, per pickup	\$ 7.52	\$ 8.01	6.5%
Rear yard collection station (maximum walk-in 50 feet) Disabled only			
Minimum fee per living unit, no limit on number of 32-gallon containers	\$ 30.99	\$ 33.00	6.5%
Minimum fee per living unit, baseline service(limit one 32-gallon container)	\$ 21.71	\$ 23.12	6.5%
Each additional 32-gallon standard container, bag or box, per pickup	\$ 7.52	\$ 8.01	6.5%
Apartments, Four or More Living Units per Dwelling			
Three standard containers per living unit – one collection per week	\$ 21.74	\$ 23.15	6.5%
Three standard containers per living unit –each additional collection per week	\$ 21.74	\$ 23.15	6.5%
Added fee for each additional standard container – one collection per week	\$ 6.79	\$ 7.23	6.5%
Rear yard collection station (maximum walk-in 50 feet) (limit three 32-gallon standard containers, fee per living unit)	\$ 22.69	\$ 24.16	6.5%
Each additional 32-gallon standard container, bag or box, per pickup	\$ 7.73	\$ 8.23	6.5%
Mobile Home Parks			
One collection per week			
Residential Unlimited Service - street curblin collection station (No limit on number of 32-gallon standard containers, fee per living unit)	\$ 20.57	\$ 21.91	6.5%
Baseline Unlimited Service - street curblin collection station (limit one 32-gallon standard containers, fee per living unit)	\$ 16.12	\$ 17.17	6.5%
Each additional 32-gallon standard container, bag or box, per pickup	\$ 6.79	\$ 7.23	6.5%
Rear yard collection station (maximum walk-in 50 feet)			
Minimum fee per living unit, no limit on number of 32-gallon containers	\$ 20.57	\$ 21.91	6.5%
Minimum fee per living unit, baseline service (limit one 32-gallon container)	\$ 16.12	\$ 17.17	6.5%
Each additional 32-gallon standard container, bag or box, per pickup	\$ 6.79	\$ 7.23	6.5%

Commercial Cans	Current Rate 1 Can	Proposed Rate 1 Can	Current Rate Addt'l Can	Proposed Rate Addt'l Can	% Increase
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Monthly rate for collection services at a station using 32-gallon containers supplied by the user

One collection per week	\$ 21.69	\$ 23.10	\$ 5.34	\$ 5.69	6.5%
Two collections per week	\$ 33.98	\$ 36.19	\$ 10.39	\$ 11.07	6.5%
Three collections per week	\$ 46.26	\$ 49.27	\$ 15.60	\$ 16.61	6.5%
Four collections per week	\$ 58.55	\$ 62.36	\$ 20.82	\$ 22.17	6.5%
Five collections per week	\$ 70.83	\$ 75.43	\$ 26.02	\$ 27.71	6.5%
Six collections per week	\$ 83.13	\$ 88.53	\$ 31.21	\$ 33.24	6.5%

Standard Containers	Current Rate	Proposed Rate	% Increase
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Collection rates are for containers supplied by customer. If container is supplied by Franchise Holder, add in rental rate. Minimum rental is for one month. For periods in excess of one month, rental charges shall be prorated on the daily equivalent of a 30-day month.

Rental Fees: bin sizes 1-6 cubic yards, per month	\$ 8.33	\$ 8.87	6.5%
Rental Fees: bin sizes 15, 20 & 30 cubic yards, per month	\$ 42.85	\$ 45.64	6.5%
Rental fee for on-call bins, sizes 8, 15, 20 and 30 cubic yards	\$ 55.93	\$ 59.57	6.5%
1 cubic yard – one collection per week			
two collections per week	\$ 91.64	\$ 97.60	6.5%
three collections per week	\$ 183.27	\$ 195.18	6.5%
four collections per week	\$ 274.90	\$ 292.77	6.5%
five collections per week	\$ 366.55	\$ 390.38	6.5%
six collections per week	\$ 458.19	\$ 487.97	6.5%
	\$ 549.80	\$ 585.54	6.5%

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SOLID WASTE COLLECTION/DISPOSAL RATES (Continued)

Standard Containers	Current Rate	Proposed Rate	% Increase
1.5 cubic yards – one collection per week *	\$ 118.50	\$ 126.20	6.5%
two collections per week *	\$ 237.01	\$ 252.42	6.5%
three collections per week *	\$ 355.51	\$ 378.62	6.5%
four collections per week *	\$ 474.01	\$ 504.82	6.5%
five collections per week *	\$ 592.52	\$ 631.03	6.5%
six collections per week *	\$ 711.01	\$ 757.23	6.5%
2 cubic yards – one collection per week	\$ 145.54	\$ 155.00	6.5%
two collections per week	\$ 291.09	\$ 310.01	6.5%
three collections per week	\$ 436.63	\$ 465.01	6.5%
four collections per week	\$ 582.16	\$ 620.00	6.5%
five collections per week	\$ 727.70	\$ 775.00	6.5%
six collections per week	\$ 873.24	\$ 930.00	6.5%
3 cubic yards – one collection per week	\$ 202.54	\$ 215.71	6.5%
two collections per week	\$ 405.07	\$ 431.40	6.5%
three collections per week	\$ 607.60	\$ 647.09	6.5%
four collections per week	\$ 810.12	\$ 862.78	6.5%
five collections per week	\$ 1,012.67	\$ 1,078.49	6.5%
six collections per week	\$ 1,215.19	\$ 1,294.18	6.5%
4 cubic yards – one collection per week	\$ 256.48	\$ 273.15	6.5%
two collections per week	\$ 512.96	\$ 546.30	6.5%
three collections per week	\$ 769.43	\$ 819.44	6.5%
four collections per week	\$ 1,025.92	\$ 1,092.60	6.5%
five collections per week	\$ 1,282.41	\$ 1,365.77	6.5%
six collections per week	\$ 1,538.88	\$ 1,638.91	6.5%
6 cubic yards – one collection per week	\$ 368.04	\$ 391.96	6.5%
two collections per week	\$ 736.03	\$ 783.87	6.5%
three collections per week	\$ 1,104.07	\$ 1,175.83	6.5%
four collections per week	\$ 1,472.08	\$ 1,567.77	6.5%
five collections per week	\$ 1,840.10	\$ 1,959.71	6.5%
six collections per week	\$ 2,208.13	\$ 2,351.66	6.5%
15 cubic yards – one collection per week	\$ 2,403.13	\$ 2,559.33	6.5%
two collections per week	\$ 4,806.26	\$ 5,118.67	6.5%
three collections per week	\$ 7,209.41	\$ 7,678.02	6.5%
four collections per week	\$ 9,612.54	\$ 10,237.36	6.5%
five collections per week	\$ 12,015.67	\$ 12,796.69	6.5%
six collections per week	\$ 14,418.80	\$ 15,356.02	6.5%
20 cubic yards – one collection per week	\$ 2,741.50	\$ 2,919.70	6.5%
two collections per week	\$ 6,108.39	\$ 6,505.44	6.5%
three collections per week	\$ 9,162.58	\$ 9,758.15	6.5%
four collections per week	\$ 12,216.77	\$ 13,010.86	6.5%
five collections per week	\$ 15,270.96	\$ 16,263.57	6.5%
six collections per week	\$ 18,325.17	\$ 19,516.31	6.5%
30 cubic yards – one collection per week	\$ 3,329.94	\$ 3,546.39	6.5%
two collections per week	\$ 6,659.87	\$ 7,092.76	6.5%
three collections per week	\$ 9,989.81	\$ 10,639.15	6.5%
four collections per week	\$ 13,319.74	\$ 14,185.52	6.5%
five collections per week	\$ 16,649.69	\$ 17,731.92	6.5%
six collections per week	\$ 19,979.61	\$ 21,278.28	6.5%

* For existing service only—no new service available in this size

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SOLID WASTE COLLECTION/DISPOSAL RATES (Continued)

Regular On-Call Service	Current Rate	Proposed Rate	% Increase
- Standard Containers Supplied by Franchise Holder			

Minimum rental is for one month. For periods in excess of one month, rental charges shall be prorated on the daily equivalent of a 30-day month.

8 cubic yard (clean asphalt and concrete)			
Delivery and rental	\$ 513.18	\$ 546.54	6.5%
Per pickup	\$ 457.25	\$ 486.97	6.5%
8 cubic yard (regular refuse)			
Delivery and rental	\$ 610.51	\$ 650.19	6.5%
Per pickup	\$ 554.58	\$ 590.63	6.5%
15 cubic yards			
Delivery and rental	\$ 610.51	\$ 650.19	6.5%
Per pickup	\$ 554.58	\$ 590.63	6.5%
20 cubic yards			
Delivery and rental	\$ 760.74	\$ 810.19	6.5%
Per pickup	\$ 704.81	\$ 750.62	6.5%
30 cubic yards			
Delivery and rental	\$ 824.38	\$ 877.96	6.5%
Per pickup	\$ 768.45	\$ 818.40	6.5%

Special On-Call Service	Current Rate	Proposed Rate	% Increase
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Personnel & Equipment (based on gross vehicle weight & Driver)

Truck and Driver	Per Quarter Hour on Job Site	\$ 80.71	\$ 85.96	6.5%
Each add'l personnel unit required	Per Quarter Hour on Job Site	\$ 47.70	\$ 50.80	6.5%

In addition, for the amount of refuse collected the following fee applies:

Per cubic yard (or fraction thereof) of refuse collected	\$ 11.47	\$ 12.22	6.5%
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Maintenance of Containers Supplied by Franchise Holder	Current Rate	Proposed Rate	% Increase
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Standard Containers supplied by Franchise Holder may require cleaning and/or painting due to the following:

(1) Ordered by User or by Health Department.

(2) Ordered due to fire or materials being placed in containers causing substantial damage to the extent that sandblasting is necessary before repainting, and exclusive of the regular cleaning/painting service.

First Cleaning/Painting in each 12-month period		No Charge	No Charge	
1 Cubic Yard	Cleaning Only	\$ 67.53	\$ 71.92	6.5%
	Cleaning and Painting on Job Site	\$ 309.71	\$ 329.84	6.5%
1.5 Cubic Yards	Cleaning Only	\$ 76.30	\$ 81.26	6.5%
	Cleaning and Painting on Job Site	\$ 318.54	\$ 339.25	6.5%
2 Cubic Yards	Cleaning Only	\$ 79.87	\$ 85.06	6.5%
	Cleaning and Painting on Job Site	\$ 443.28	\$ 472.09	6.5%
3 Cubic Yards	Cleaning Only	\$ 93.12	\$ 99.17	6.5%
	Cleaning and Painting on Job Site	\$ 456.16	\$ 485.81	6.5%
4 Cubic Yards	Cleaning Only	\$ 106.39	\$ 113.31	6.5%
	Cleaning and Painting on Job Site	\$ 469.02	\$ 499.51	6.5%
6 Cubic Yards	Cleaning Only	\$ 171.24	\$ 182.37	6.5%
	Cleaning and Painting on Job Site	\$ 655.48	\$ 698.09	6.5%
15 Cubic Yards	Cleaning Only	\$ 285.22	\$ 303.76	6.5%
	Cleaning and Painting on Job Site	\$ 1,011.67	\$ 1,077.43	6.5%
20 Cubic Yards	Cleaning Only	\$ 336.63	\$ 358.51	6.5%
	Cleaning and Painting on Job Site	\$ 1,162.94	\$ 1,238.53	6.5%
30 Cubic Yards	Cleaning Only	\$ 373.02	\$ 397.27	6.5%
	Cleaning and Painting on Job Site	\$ 1,187.17	\$ 1,264.34	6.5%

Miscellaneous Provisions:	Current Rate	Proposed Rate	% Increase
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Fees for providing locks on standard containers supplied by the franchise holder

Installation of hasp, furnishing of lock and two keys	\$ 192.32	\$ 204.82	6.5%
Each additional key required	\$ 9.74	\$ 10.37	6.5%
Additional collection charge each pickup from locked containers, enclosures, gates, etc.	\$ 2.09	\$ 2.23	6.5%

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SOLID WASTE COLLECTION/DISPOSAL RATES (Continued)

Container Pushout	Current Rate	Proposed Rate	% Increase
Rates for moving out containers supplied by customer or franchise holder, based on collections per week			
Bin Size 1 cubic yard – one collection per week	\$ 8.39	\$ 8.94	6.5%
two collections per week	\$ 16.79	\$ 17.88	6.5%
three collections per week	\$ 25.18	\$ 26.82	6.5%
four collections per week	\$ 33.58	\$ 35.76	6.5%
five collections per week	\$ 41.97	\$ 44.70	6.5%
six collections per week	\$ 50.37	\$ 53.64	6.5%
Bin Size 2 cubic yards – one collection per week	\$ 8.39	\$ 8.94	6.5%
two collections per week	\$ 16.79	\$ 17.88	6.5%
three collections per week	\$ 25.18	\$ 26.82	6.5%
four collections per week	\$ 33.58	\$ 35.76	6.5%
five collections per week	\$ 41.97	\$ 44.70	6.5%
six collections per week	\$ 50.37	\$ 53.64	6.5%
Bin Size 3 cubic yards – one collection per week	\$ 13.19	\$ 14.05	6.5%
two collections per week	\$ 26.39	\$ 28.11	6.5%
three collections per week	\$ 39.58	\$ 42.15	6.5%
four collections per week	\$ 52.78	\$ 56.21	6.5%
five collections per week	\$ 65.98	\$ 70.27	6.5%
six collections per week	\$ 79.17	\$ 84.32	6.5%
Bin Size 4 cubic yards – one collection per week*	\$ 16.96	\$ 18.06	6.5%
two collections per week*	\$ 33.94	\$ 36.15	6.5%
three collections per week*	\$ 50.90	\$ 54.21	6.5%
four collections per week*	\$ 67.86	\$ 72.27	6.5%
five collections per week*	\$ 84.82	\$ 90.33	6.5%
six collections per week*	\$ 101.79	\$ 108.41	6.5%

* Applied to existing service only. Not available for new services

Compacted Material	Current Rate	Proposed Rate	Current Rate	Proposed Rate
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% Increase = 6.50 %

Monthly rate for collection service at a collection station utilizing compacter containers supplied by the customer

Bin Size 1.5 cubic yards (collections per week)						
one/week	\$ 154.77	\$ 164.83	four/week	\$ 619.10	\$ 659.34	
two/week	\$ 309.55	\$ 329.67	five/week	\$ 773.86	\$ 824.16	
three/week	\$ 464.31	\$ 494.49	six/week	\$ 928.64	\$ 989.00	
On Call	\$ 113.13	\$ 120.48				
Bin Size 2 cubic yards (collections per week)						
one/week	\$ 196.95	\$ 209.75	four/week	\$ 787.77	\$ 838.98	
two/week	\$ 393.88	\$ 419.48	five/week	\$ 984.73	\$ 1,048.74	
three/week	\$ 590.83	\$ 629.23	six/week	\$ 1,181.66	\$ 1,258.47	
On Call	\$ 122.43	\$ 130.39				
Bin Size 2.5 cubic yards – On Call						
	\$ 129.39	\$ 137.80				
Bin Size 3 cubic yards (collections per week)						
one/week	\$ 275.07	\$ 292.95	four/week	\$ 1,100.29	\$ 1,171.81	
two/week	\$ 550.15	\$ 585.91	five/week	\$ 1,375.37	\$ 1,464.77	
three/week	\$ 825.22	\$ 878.86	six/week	\$ 1,650.44	\$ 1,757.72	
On Call	\$ 139.75	\$ 148.83				
Bin Size 4 cubic yards (collections per week)						
one/week	\$ 353.20	\$ 376.16	four/week	\$ 1,412.81	\$ 1,504.64	
two/week	\$ 706.42	\$ 752.34	five/week	\$ 1,766.01	\$ 1,880.80	
three/week	\$ 1,059.62	\$ 1,128.50	six/week	\$ 2,119.21	\$ 2,256.96	
On Call	\$ 157.02	\$ 167.23				
Bin Size 6 cubic yards (collections per week)						
one/week	\$ 513.11	\$ 546.46	four/week	\$ 2,052.42	\$ 2,185.83	
two/week	\$ 1,026.21	\$ 1,092.91	five/week	\$ 2,565.53	\$ 2,732.29	
three/week	\$ 1,539.32	\$ 1,639.38	six/week	\$ 3,078.66	\$ 3,278.77	
On Call	\$ 192.40	\$ 204.91				

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

SOLID WASTE COLLECTION/DISPOSAL RATES (Continued)

Compacted Material	Current Rate	Proposed Rate	Current Rate	Proposed Rate
% Increase = 6.50 %				
<i>Monthly rate for collection service at a collection station utilizing compacter containers supplied by the customer</i>				
Bin Size 7 cubic yards (collections per week)				
one/week	\$ 1,776.06	\$ 1,891.50	four/week	\$ 7,104.22
two/week	\$ 3,552.11	\$ 3,783.00	five/week	\$ 8,880.29
three/week	\$ 5,328.17	\$ 5,674.50	six/week	\$ 10,656.33
On Call	\$ 409.86	\$ 436.50		
Bin Size 10 cubic yards (collections per week)				
one/week	\$ 2,301.90	\$ 2,451.52	four/week	\$ 9,207.62
two/week	\$ 4,603.82	\$ 4,903.07	five/week	\$ 11,509.51
three/week	\$ 6,905.72	\$ 7,354.59	six/week	\$ 13,811.43
On Call	\$ 531.20	\$ 565.73		
Bin Size 15 cubic yards (collections per week)				
one/week	\$ 3,178.32	\$ 3,384.91	four/week	\$ 12,713.27
two/week	\$ 6,356.65	\$ 6,769.83	five/week	\$ 15,891.59
three/week	\$ 9,534.97	\$ 10,154.74	six/week	\$ 19,069.93
On Call	\$ 733.45	\$ 781.12		
Bin Size 16 cubic yards (collections per week)				
one/week	\$ 3,353.60	\$ 3,571.58	four/week	\$ 13,414.40
two/week	\$ 6,707.22	\$ 7,143.19	five/week	\$ 16,768.02
three/week	\$ 10,060.80	\$ 10,714.75	six/week	\$ 20,121.62
On Call	\$ 773.91	\$ 824.21		
Bin Size 20 cubic yards (collections per week)				
one/week	\$ 4,054.72	\$ 4,318.28	four/week	\$ 16,218.95
two/week	\$ 8,109.48	\$ 8,636.60	five/week	\$ 20,273.67
three/week	\$ 12,164.19	\$ 12,954.86	six/week	\$ 24,328.43
On Call	\$ 935.70	\$ 996.52		
Bin Size 25 cubic yards (collections per week)				
one/week	\$ 4,931.15	\$ 5,251.67	four/week	\$ 16,109.66
two/week	\$ 9,862.29	\$ 10,503.34	five/week	\$ 24,655.75
three/week	\$ 14,793.45	\$ 15,755.02	six/week	\$ 29,586.89
On Call	\$ 1,137.95	\$ 1,211.92		
Bin Size 27 cubic yards (collections per week)				
one/week	\$ 5,281.72	\$ 5,625.03	four/week	\$ 21,126.86
two/week	\$ 10,563.43	\$ 11,250.05	five/week	\$ 26,408.57
three/week	\$ 15,845.15	\$ 16,875.08	six/week	\$ 31,690.29
On Call	\$ 1,218.85	\$ 1,298.08		
Bin Size 28 cubic yards (collections per week)				
one/week	\$ 5,457.01	\$ 5,811.72	four/week	\$ 21,828.00
two/week	\$ 10,913.99	\$ 11,623.40	five/week	\$ 27,284.99
three/week	\$ 16,370.99	\$ 17,435.10	six/week	\$ 32,741.99
On Call	\$ 1,259.31	\$ 1,341.17		
Bin Size 29 cubic yards (collections per week)				
one/week	\$ 5,632.29	\$ 5,998.39	four/week	\$ 22,529.12
two/week	\$ 11,264.56	\$ 11,996.76	five/week	\$ 28,161.40
three/week	\$ 16,896.85	\$ 17,995.15	six/week	\$ 33,793.69
On Call	\$ 1,299.76	\$ 1,384.24		
Bin Size 30 cubic yards (collections per week)				
one/week	\$ 5,807.57	\$ 6,185.06	four/week	\$ 23,230.26
two/week	\$ 11,615.13	\$ 12,370.11	five/week	\$ 29,037.82
three/week	\$ 17,422.69	\$ 18,555.16	six/week	\$ 34,845.38
On Call	\$ 1,340.22	\$ 1,427.33		
Bin Size 31 cubic yards (collections per week)				
one/week	\$ 5,982.85	\$ 6,371.74	four/week	\$ 23,931.40
two/week	\$ 11,965.68	\$ 12,743.45	five/week	\$ 29,914.23
three/week	\$ 17,948.55	\$ 19,115.21	six/week	\$ 35,897.08
On Call	\$ 1,380.65	\$ 1,470.39		

SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES

FISCAL YEAR 2007/08

SOLID WASTE COLLECTION/DISPOSAL RATES (Continued)

Compacted Material	Current Rate	Proposed Rate	Current Rate	Proposed Rate
% Increase = 6.50 %				
<i>Monthly rate for collection service at a collection station utilizing compactor containers supplied by the customer</i>				
Bin Size 32 cubic yards (collections per week)				
one/week	\$ 6,158.14	\$ 6,558.42	four/week	\$ 24,632.52
two/week	\$ 12,316.26	\$ 13,116.82	five/week	\$ 30,790.65
three/week	\$ 18,474.39	\$ 19,675.23	six/week	\$ 36,948.79
On Call	\$ 1,421.11	\$ 1,513.48		
Bin Size 34 cubic yards (collections per week)				
one/week	\$ 6,508.71	\$ 6,931.78	four/week	\$ 26,034.78
two/week	\$ 13,017.38	\$ 13,863.51	five/week	\$ 32,543.48
three/week	\$ 19,526.09	\$ 20,795.29	six/week	\$ 39,052.19
On Call	\$ 1,502.00	\$ 1,599.63		
Bin Size 35 cubic yards (collections per week)				
one/week	\$ 6,683.98	\$ 7,118.44	four/week	\$ 26,735.92
two/week	\$ 13,367.96	\$ 14,236.88	five/week	\$ 33,419.90
three/week	\$ 20,051.93	\$ 21,355.31	six/week	\$ 40,103.88
On Call	\$ 1,542.46	\$ 1,642.72		
Bin Size 36 cubic yards (collections per week)				
one/week	\$ 6,859.27	\$ 7,305.12	four/week	\$ 27,437.05
two/week	\$ 13,718.52	\$ 14,610.22	five/week	\$ 34,296.31
three/week	\$ 20,577.80	\$ 21,915.36	six/week	\$ 41,155.58
On Call	\$ 1,582.90	\$ 1,685.79		
Bin Size 38 cubic yards (collections per week)				
one/week	\$ 7,209.85	\$ 7,678.49	four/week	\$ 28,839.31
two/week	\$ 14,419.66	\$ 15,356.94	five/week	\$ 36,049.12
three/week	\$ 21,629.50	\$ 23,035.42	six/week	\$ 43,258.97
On Call	\$ 1,663.81	\$ 1,771.96		
Bin Size 40 cubic yards (collections per week)				
one/week	\$ 7,560.40	\$ 8,051.83	four/week	\$ 30,241.58
two/week	\$ 15,120.78	\$ 16,103.63	five/week	\$ 37,801.98
three/week	\$ 22,681.19	\$ 24,155.47	six/week	\$ 45,362.36
On Call	\$ 1,744.71	\$ 1,858.12		
Bin Size 42 cubic yards (collections per week)				
one/week	\$ 7,910.97	\$ 8,425.18	four/week	\$ 31,643.84
two/week	\$ 15,821.92	\$ 16,850.34	five/week	\$ 39,554.81
three/week	\$ 23,732.89	\$ 25,275.53	six/week	\$ 47,465.75
On Call	\$ 1,825.60	\$ 1,944.26		
Bin Size 45 cubic yards (collections per week)				
one/week	\$ 8,436.79	\$ 8,985.18	four/week	\$ 33,747.23
two/week	\$ 16,873.63	\$ 17,970.42	five/week	\$ 42,184.04
three/week	\$ 25,310.42	\$ 26,955.60	six/week	\$ 50,620.85
On Call	\$ 1,946.96	\$ 2,073.51		

* If in order to provide the requested service additional personnel are required, the fee for each additional personnel unit required shall be \$50.80.
 Note: Rates for unlisted compactor sizes greater than 7 cubic yards are calculated at the sum of \$171.91 per pickup and \$59.87 per cubic yard of container size, per pickup.

Miscellaneous Charges	Current Rate	Proposed Rate	% Increase
Commercial Corrugated Cardboard Collectin (bin rental per month)	\$ 8.33	\$ 8.87	6.5%
Computer Montior & TV Rear Yard Collection			
Available to disabled customers qualifying for rear-yard collection	\$ 28.95	\$ 30.83	6.5%
Driver Return			
Fee for truck and driver to return to location to provide service that was not completed due to blocked access, overloaded bin, etc., or for cancellations not made at least <u>two business days in advance</u>	\$ 80.71	\$ 85.96	6.5%

**SCHEDULE OF PROPOSED MONTHLY UTILITY SERVICE RATES
FISCAL YEAR 2007/08**

ADMINISTRATIVE AND PROCESSING FEES

Other Fees	Current Rate	Proposed Rate	% Increase or Decrease
New Account Start - One Business Day Notice	No Charge	No Charge	
New Account Start - Same Day (8:00 am - 4:00 pm, Monday - Friday)	\$ 56.00	\$ 40.00	-28.6%
New Account Start - after hours (8:00 am - 4:00 pm, Monday - Friday, Weekend and Holidays)	\$ 56.00	\$ 70.00	25.0%
Delinquency Processing Fee	\$ 28.00	\$ 30.00	7.1%
Delinquency Service Restoral - (8:00 am - 4:00 pm, Monday - Friday)	\$ 36.00	\$ 40.00	11.1%
Delinquency Service Restoral - after hours (8:00 am - 4:00 pm, Monday - Friday, Weekend and Holidays)	\$ 56.00	\$ 80.00	42.9%